

Calendar No. 178

109TH CONGRESS
1ST SESSION

S. 1418

[Report No. 109-111]

To enhance the adoption of a nationwide interoperable health information technology system and to improve the quality and reduce the costs of health care in the United States.

IN THE SENATE OF THE UNITED STATES

JULY 18, 2005

Mr. ENZI (for himself, Mr. KENNEDY, Mr. FRIST, Mrs. CLINTON, Mr. ALEXANDER, Mr. DODD, Mr. BURR, Mr. HARKIN, Mr. ISAKSON, Ms. MIKULSKI, Mr. DEWINE, Mr. JEFFORDS, Mr. ROBERTS, Mr. BINGAMAN, Mrs. MURRAY, Mr. HAGEL, Mr. MARTINEZ, Mr. TALENT, Mr. OBAMA, Mr. BOND, Mr. NELSON of Florida, Mr. GREGG, Mr. ENSIGN, Mr. SESSIONS, Mr. REED, Ms. LANDRIEU, Mr. CARPER, and Mr. DURBIN) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

JULY 27, 2005

Reported by Mr. ENZI, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To enhance the adoption of a nationwide interoperable health information technology system and to improve the quality and reduce the costs of health care in the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Wired for Health Care
3 Quality Act”.

4 **SEC. 2. IMPROVING HEALTH CARE, QUALITY, SAFETY, AND**
5 **EFFICIENCY.**

6 The Public Health Service Act (42 U.S.C. 201 et
7 seq.) is amended by adding at the end the following:

8 **“TITLE XXIX—HEALTH**
9 **INFORMATION TECHNOLOGY**

10 **“SEC. 2901. DEFINITIONS.**

11 “In this title:

12 “(1) **HEALTH CARE PROVIDER.**—The term
13 ‘health care provider’ means a hospital, skilled nurs-
14 ing facility, home health entity, health care clinic,
15 federally qualified health center, group practice (as
16 defined in section 1877(h)(4) of the Social Security
17 Act), a pharmacist, a pharmacy, a laboratory, a phy-
18 sician (as defined in section 1861(r) of the Social
19 Security Act), a health facility operated by or pursu-
20 ant to a contract with the Indian Health Service, a
21 rural health clinic, and any other category of facility
22 or clinician determined appropriate by the Secretary.

23 “(2) **HEALTH INFORMATION.**—The term ‘health
24 information’ has the meaning given such term in
25 section 1171(4) of the Social Security Act.

1 ~~“(3) HEALTH INSURANCE PLAN.—~~The term
2 ‘health insurance plan’ means—

3 ~~“(A) a health insurance issuer (as defined~~
4 in section 2791(b)(2));

5 ~~“(B) a group health plan (as defined in~~
6 section 2791(a)(1)); and

7 ~~“(C) a health maintenance organization~~
8 (as defined in section 2791(b)(3)).

9 ~~“(4) LABORATORY.—~~The term ‘laboratory’ has
10 the meaning given that term in section 353.

11 ~~“(5) PHARMACIST.—~~The term ‘pharmacist’ has
12 the meaning given that term in section 804 of the
13 Federal Food, Drug, and Cosmetic Act.

14 ~~“(6) QUALIFIED HEALTH INFORMATION TECH-~~
15 ~~NOLOGY.—~~The term ‘qualified health information
16 technology’ means a computerized system (including
17 hardware, software, and training) that—

18 ~~“(A) protects the privacy and security of~~
19 health information;

20 ~~“(B) maintains and provides permitted ac-~~
21 ~~cess to health information in an electronic for-~~
22 ~~mat;~~

23 ~~“(C) incorporates decision support to re-~~
24 ~~duce medical errors and enhance health care~~
25 ~~quality;~~

1 “(D) complies with the standards adopted
2 by the Federal Government under section 2903;
3 and

4 “(E) allows for the reporting of quality
5 measures under section 2908.

6 “(7) STATE.—The term ‘State’ means each of
7 the several States, the District of Columbia, Puerto
8 Rico, the Virgin Islands, Guam, American Samoa,
9 and the Northern Mariana Islands.

10 **“SEC. 2902. OFFICE OF THE NATIONAL COORDINATOR OF**
11 **HEALTH INFORMATION TECHNOLOGY.**

12 “(a) OFFICE OF NATIONAL HEALTH INFORMATION
13 TECHNOLOGY.—There is established within the Office of
14 the Secretary an Office of the National Coordinator of
15 Health Information Technology (referred to in this section
16 as the ‘Office’). The Office shall be headed by a National
17 Coordinator who shall be appointed by the President, in
18 consultation with the Secretary, and shall report directly
19 to the Secretary.

20 “(b) PURPOSE.—It shall be the purpose of the Office
21 to carry out programs and activities to develop a nation-
22 wide interoperable health information technology infra-
23 structure that—

24 “(1) ensures that patients’ health information
25 is secure and protected;

1 “(2) improves health care quality, reduces med-
2 ical errors, and advances the delivery of patient-cen-
3 tered medical care;

4 “(3) reduces health care costs resulting from
5 inefficiency, medical errors, inappropriate care, and
6 incomplete information;

7 “(4) ensures that appropriate information to
8 help guide medical decisions is available at the time
9 and place of care;

10 “(5) promotes a more effective marketplace,
11 greater competition, and increased choice through
12 the wider availability of accurate information on
13 health care costs, quality, and outcomes;

14 “(6) improves the coordination of care and in-
15 formation among hospitals, laboratories, physician
16 offices, and other entities through an effective infra-
17 structure for the secure and authorized exchange of
18 health care information;

19 “(7) improves public health reporting and facili-
20 tates the early identification and rapid response to
21 public health threats and emergencies, including bio-
22 terror events and infectious disease outbreaks;

23 “(8) facilitates health research; and

24 “(9) promotes prevention of chronic diseases.

1 “(e) DUTIES OF THE NATIONAL COORDINATOR.—

2 The National Coordinator shall—

3 “(1) serve as a member of the public-private
4 American Health Information Collaborative estab-
5 lished under section 2903;

6 “(2) serve as the principal advisor to the Sec-
7 retary concerning the development, application, and
8 use of health information technology, and coordinate
9 and oversee the health information technology pro-
10 grams of the Department;

11 “(3) facilitate the adoption of a nationwide,
12 interoperable system for the electronic exchange of
13 health information;

14 “(4) ensure the adoption and implementation of
15 standards for the electronic exchange of health infor-
16 mation to reduce cost and improve health care qual-
17 ity;

18 “(5) ensure that health information technology
19 policy and programs of the Department are coordi-
20 nated with those of relevant executive branch agen-
21 cies (including Federal commissions) with a goal of
22 avoiding duplication of efforts and of helping to en-
23 sure that each agency undertakes health information
24 technology activities primarily within the areas of its
25 greatest expertise and technical capability;

1 “(6) to the extent permitted by law, coordinate
2 outreach and consultation by the relevant executive
3 branch agencies (including Federal commissions)
4 with public and private parties of interest, including
5 consumers, payers, employers, hospitals and other
6 health care providers, physicians, community health
7 centers, laboratories, vendors and other stake-
8 holders;

9 “(7) advise the President regarding specific
10 Federal health information technology programs;
11 and

12 “(8) submit the reports described under section
13 2903(i) (excluding paragraph (4) of such section).

14 “(d) **DETAIL OF FEDERAL EMPLOYEES.—**

15 “(1) **IN GENERAL.—**Upon the request of the
16 National Coordinator, the head of any Federal agen-
17 cy is authorized to detail, with or without reimburse-
18 ment from the Office, any of the personnel of such
19 agency to the Office to assist it in carrying out its
20 duties under this section.

21 “(2) **EFFECT OF DETAIL.—**Any detail of per-
22 sonnel under paragraph (1) shall—

23 “(A) not interrupt or otherwise affect the
24 civil service status or privileges of the Federal
25 employee; and

1 “(B) be in addition to any other staff of
2 the Department employed by the National Co-
3 ordinator.

4 “(3) ACCEPTANCE OF DETAILEES.—Notwith-
5 standing any other provision of law, the Office may
6 accept detailed personnel from other Federal agen-
7 cies without regard to whether the agency described
8 under paragraph (1) is reimbursed.

9 “(e) RULE OF CONSTRUCTION.—Nothing in this sec-
10 tion shall be construed to require the duplication of Fed-
11 eral efforts with respect to the establishment of the Office,
12 regardless of whether such efforts were carried out prior
13 to or after the enactment of this title.

14 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
15 are authorized to be appropriated such sums as may be
16 necessary to carry out the activities of the Office under
17 this section for each of fiscal years 2006 through 2010.

18 “**SEC. 2903. AMERICAN HEALTH INFORMATION COLLABO-**
19 **RATIVE.**

20 “(a) PURPOSE.—The Secretary shall establish the
21 public-private American Health Information Collaborative
22 (referred to in this section as the ‘Collaborative’) to—

23 “(1) advise the Secretary and recommend spe-
24 cific actions to achieve a nationwide interoperable
25 health information technology infrastructure;

1 ~~“(2) serve as a forum for the participation of~~
2 ~~a broad range of stakeholders to provide input on~~
3 ~~achieving the interoperability of health information~~
4 ~~technology; and~~

5 ~~“(3) recommend standards (including content,~~
6 ~~communication, and security standards) for the elec-~~
7 ~~tronic exchange of health information for adoption~~
8 ~~by the Federal Government and voluntary adoption~~
9 ~~by private entities.~~

10 ~~“(b) COMPOSITION.—~~

11 ~~“(1) IN GENERAL.—The Collaborative shall be~~
12 ~~composed of—~~

13 ~~“(A) the Secretary, who shall serve as the~~
14 ~~chairperson of the Collaborative;~~

15 ~~“(B) the Secretary of Defense, or his or~~
16 ~~her designee;~~

17 ~~“(C) the Secretary of Veterans Affairs, or~~
18 ~~his or her designee;~~

19 ~~“(D) the Secretary of Commerce, or his or~~
20 ~~her designee;~~

21 ~~“(E) the National Coordinator for Health~~
22 ~~Information Technology;~~

23 ~~“(F) representatives of other relevant Fed-~~
24 ~~eral agencies, as determined appropriate by the~~
25 ~~Secretary; and~~

1 “(G) representatives from each of the fol-
 2 lowing categories to be appointed by the Sec-
 3 retary from nominations submitted by the pub-
 4 lic—

5 “(i) consumer and patient organiza-
 6 tions;

7 “(ii) experts in health information pri-
 8 vacy and security;

9 “(iii) health care providers;

10 “(iv) health insurance plans or other
 11 third party payors;

12 “(v) standards development organiza-
 13 tions;

14 “(vi) information technology vendors;

15 “(vii) purchasers or employers; and

16 “(viii) State or local government agen-
 17 cies or Indian tribe or tribal organizations.

18 “(2) CONSIDERATIONS.—In appointing mem-
 19 bers under paragraph (1)(G), the Secretary shall se-
 20 lect individuals with expertise in—

21 “(A) health information privacy;

22 “(B) health information security;

23 “(C) health care quality and patient safety;
 24 including those individuals with experience in

1 utilizing health information technology to im-
2 prove health care quality and patient safety;

3 “(D) data exchange; and

4 “(E) developing health information tech-
5 nology standards and new health information
6 technology.

7 “(3) TERMS.—Members appointed under para-
8 graph (1)(G) shall serve for 2 year terms, except
9 that any member appointed to fill a vacancy for an
10 unexpired term shall be appointed for the remainder
11 of such term. A member may serve for not to exceed
12 180 days after the expiration of such member’s term
13 or until a successor has been appointed.

14 “(e) RECOMMENDATIONS AND POLICIES.—The Col-
15 laborative shall make recommendations to identify uni-
16 form national policies for adoption by the Federal Govern-
17 ment and voluntary adoption by private entities to support
18 the widespread adoption of health information technology,
19 including—

20 “(1) protection of health information through
21 privacy and security practices;

22 “(2) measures to prevent unauthorized access
23 to health information;

24 “(3) methods to facilitate secure patient access
25 to health information;

1 “(4) the ongoing harmonization of industry-
2 wide health information technology standards;

3 “(5) recommendations for a nationwide inter-
4 operable health information technology infrastruc-
5 ture;

6 “(6) the identification and prioritization of spe-
7 cific use cases for which health information tech-
8 nology is valuable, beneficial, and feasible;

9 “(7) recommendations for the establishment of
10 an entity to ensure the continuation of the functions
11 of the Collaborative; and

12 “(8) other policies determined to be necessary
13 by the Collaborative.

14 “(d) STANDARDS.—

15 “(1) EXISTING STANDARDS.—The standards
16 adopted by the Consolidated Health Informatics Ini-
17 tiative shall be deemed to have been recommended
18 by the Collaborative under this section.

19 “(2) FIRST YEAR REVIEW.—Not later than 1
20 year after the date of enactment of this title, the
21 Collaborative shall—

22 “(A) review existing standards (including
23 content, communication, and security stand-
24 ards) for the electronic exchange of health in-

1 formation, including such standards adopted by
2 the Secretary under paragraph (2)(A);

3 “(B) identify deficiencies and omissions in
4 such existing standards; and

5 “(C) identify duplication and overlap in
6 such existing standards;

7 and recommend modifications to such standards as
8 necessary.

9 “(3) ONGOING REVIEW.—Beginning 1 year
10 after the date of enactment of this title, and annu-
11 ally thereafter, the Collaborative shall—

12 “(A) review existing standards (including
13 content, communication, and security stand-
14 ards) for the electronic exchange of health in-
15 formation, including such standards adopted by
16 the Secretary under paragraph (2)(A);

17 “(B) identify deficiencies and omissions in
18 such existing standards; and

19 “(C) identify duplication and overlap in
20 such existing standards;

21 and recommend modifications to such standards as
22 necessary.

23 “(4) LIMITATION.—The standards described in
24 this section shall be consistent with any standards

1 developed pursuant to the Health Insurance Port-
2 ability and Accountability Act of 1996.

3 “(e) FEDERAL ACTION.—Not later than 60 days
4 after the issuance of a recommendation from the Collabo-
5 rative under subsection (d)(2), the Secretary of Health
6 and Human Services, the Secretary of Veterans Affairs,
7 and the Secretary of Defense, in collaboration with rep-
8 resentatives of other relevant Federal agencies, as deter-
9 mined appropriate by the Secretary, shall jointly review
10 such recommendations. The Secretary shall provide for the
11 adoption by the Federal Government of any standard or
12 standards contained in such recommendation.

13 “(f) COORDINATION OF FEDERAL SPENDING.—Not
14 later than 1 year after the adoption by the Federal Gov-
15 ernment of a recommendation as provided for in sub-
16 section (e), and in compliance with chapter 113 of title
17 40, United States Code, no Federal agency shall expend
18 Federal funds for the purchase of any form of health in-
19 formation technology or health information technology
20 system for clinical care or for the electronic retrieval, stor-
21 age, or exchange of health information that is not con-
22 sistent with applicable standards adopted by the Federal
23 Government under subsection (e).

24 “(g) COORDINATION OF FEDERAL DATA COLLEC-
25 TION.—Not later than 3 years after the adoption by the

1 Federal Government of a recommendation as provided for
2 in subsection (e), all Federal agencies collecting health
3 data for the purposes of surveillance, epidemiology, ad-
4 verse event reporting, research, or for other purposes de-
5 termined appropriate by the Secretary shall comply with
6 standards adopted under subsection (e).

7 “(h) VOLUNTARY ADOPTION.—Any standards adopt-
8 ed by the Federal Government under subsection (e) shall
9 be voluntary with respect to private entities.

10 “(i) REPORTS.—The Secretary shall submit to the
11 Committee on Health, Education, Labor, and Pensions
12 and the Committee on Finance of the Senate and the
13 Committee on Energy and Commerce and the Committee
14 on Ways and Means of the House of Representatives, on
15 an annual basis, a report that—

16 “(1) describes the specific actions that have
17 been taken by the Federal Government and private
18 entities to facilitate the adoption of an interoperable
19 nationwide system for the electronic exchange of
20 health information;

21 “(2) describes barriers to the adoption of such
22 a nationwide system;

23 “(3) contains recommendations to achieve full
24 implementation of such a nationwide system; and

1 “(4) contains a plan and progress toward the
2 establishment of an entity to ensure the continuation
3 of the functions of the Collaborative.

4 “(j) APPLICATION OF FACCA.—The Federal Advisory
5 Committee Act (5 U.S.C. App.) shall apply to the Collabo-
6 rative, except that the term provided for under section
7 14(a)(2) shall be 5 years.

8 “(k) RULE OF CONSTRUCTION.—Nothing in this sec-
9 tion shall be construed to require the duplication of Fed-
10 eral efforts with respect to the establishment of the Col-
11 laborative, regardless of whether such efforts were carried
12 out prior to or after the enactment of this title.

13 “(l) AUTHORIZATION OF APPROPRIATIONS.—There
14 are authorized to be appropriated such sums as may be
15 necessary to carry out this section for each of fiscal years
16 2006 through 2010.

17 **“SEC. 2904. IMPLEMENTATION AND CERTIFICATION OF**
18 **HEALTH INFORMATION STANDARDS.**

19 “(a) IMPLEMENTATION.—

20 “(1) IN GENERAL.—The Secretary, based upon
21 the recommendations of the Collaborative, shall de-
22 velop criteria to ensure uniform and consistent im-
23 plementation of any standards for the electronic ex-
24 change of health information voluntarily adopted by

1 private entities in technical conformance with such
2 standards adopted under this title.

3 “(2) IMPLEMENTATION ASSISTANCE.—The Sec-
4 retary may recognize a private entity or entities to
5 assist private entities in the implementation of the
6 standards adopted under this title using the criteria
7 developed by the Secretary under this section.

8 “(b) CERTIFICATION.—

9 “(1) IN GENERAL.—The Secretary, based upon
10 the recommendations of the Collaborative, shall de-
11 velop criteria to ensure and certify that hardware,
12 software, and support services that claim to be in
13 compliance with any standard for the electronic ex-
14 change of health information adopted under this title
15 have established and maintained such compliance in
16 technical conformance with such standards.

17 “(2) CERTIFICATION ASSISTANCE.—The Sec-
18 retary may recognize a private entity or entities to
19 assist in the certification described under paragraph
20 (1) using the criteria developed by the Secretary
21 under this section.

22 “(c) DELEGATION AUTHORITY.—The Secretary,
23 through consultation with the Collaborative, may delegate
24 the development of the criteria under subsections (a) and
25 (b) to a private entity.

1 **“SEC. 2905. GRANTS TO FACILITATE THE WIDESPREAD**
2 **ADOPTION OF INTEROPERABLE HEALTH IN-**
3 **FORMATION TECHNOLOGY.**

4 **“(a) COMPETITIVE GRANTS TO FACILITATE THE**
5 **WIDESPREAD ADOPTION OF HEALTH INFORMATION**
6 **TECHNOLOGY.—**

7 **“(1) IN GENERAL.—**The Secretary may award
8 competitive grants to eligible entities to facilitate the
9 purchase and enhance the utilization of qualified
10 health information technology systems to improve
11 the quality and efficiency of health care.

12 **“(2) ELIGIBILITY.—**To be eligible to receive a
13 grant under paragraph (1) an entity shall—

14 **“(A)** submit to the Secretary an applica-
15 tion at such time, in such manner, and con-
16 taining such information as the Secretary may
17 require;

18 **“(B)** submit to the Secretary a strategic
19 plan for the implementation of data sharing
20 and interoperability measures;

21 **“(C)** be a—

22 **“(i)** not for profit hospital;

23 **“(ii)** group practice (including a single
24 physician); or

25 **“(iii)** another health care provider not
26 described in clause (i) or (ii);

1 ~~“(D) adopt the standards adopted by the~~
2 ~~Federal Government under section 2903;~~

3 ~~“(E) require that health care providers re-~~
4 ~~ceiving such grants implement the measurement~~
5 ~~system adopted under section 2908 and report~~
6 ~~to the Secretary on such measures;~~

7 ~~“(F) demonstrate significant financial~~
8 ~~need; and~~

9 ~~“(G) provide matching funds in accordance~~
10 ~~with paragraph (4).~~

11 ~~“(3) USE OF FUNDS.—Amounts received under~~
12 ~~a grant under this subsection shall be used to facili-~~
13 ~~tate the purchase and enhance the utilization of~~
14 ~~qualified health information technology systems.~~

15 ~~“(4) MATCHING REQUIREMENT.—To be eligible~~
16 ~~for a grant under this subsection an entity shall con-~~
17 ~~tribute non-Federal contributions to the costs of ear-~~
18 ~~rying out the activities for which the grant is award-~~
19 ~~ed in an amount equal to \$1 for each \$3 of Federal~~
20 ~~funds provided under the grant.~~

21 ~~“(5) PREFERENCE IN AWARDING GRANTS.—In~~
22 ~~awarding grants under this subsection the Secretary~~
23 ~~shall give preference to—~~

1 “(A) eligible entities that are located in
2 rural, frontier, and other underserved areas as
3 determined by the Secretary; and

4 “(B) eligible entities that will link, to the
5 extent practicable, the qualified health informa-
6 tion system to local or regional health informa-
7 tion networks.

8 “(b) COMPETITIVE GRANTS TO STATES FOR THE DE-
9 VELOPMENT OF STATE LOAN PROGRAMS TO FACILITATE
10 THE WIDESPREAD ADOPTION OF HEALTH INFORMATION
11 TECHNOLOGY.—

12 “(1) IN GENERAL.—The Secretary may award
13 competitive grants to States for the establishment of
14 State programs for loans to health care providers to
15 facilitate the purchase and enhance the utilization of
16 qualified health information technology.

17 “(2) ESTABLISHMENT OF FUND.—To be eligi-
18 ble to receive a competitive grant under this sub-
19 section, a State shall establish a qualified health in-
20 formation technology loan fund (referred to in this
21 subsection as a ‘State loan fund’) and comply with
22 the other requirements contained in this section. A
23 grant to a State under this subsection shall be de-
24 posited in the State loan fund established by the
25 State. No funds authorized by other provisions of

1 this title to be used for other purposes specified in
2 this title shall be deposited in any State loan fund.

3 “(3) ELIGIBILITY.—To be eligible to receive a
4 grant under paragraph (1) a State shall—

5 “(A) submit to the Secretary an applica-
6 tion at such time, in such manner, and con-
7 taining such information as the Secretary may
8 require;

9 “(B) submit to the Secretary a strategic
10 plan in accordance with paragraph (4);

11 “(C) establish a qualified health informa-
12 tion technology loan fund in accordance with
13 paragraph (2);

14 “(D) require that health care providers re-
15 ceiving such loans—

16 “(i) link, to the extent practicable, the
17 qualified health information system to a
18 local or regional health information net-
19 work; and

20 “(ii) consult with the Center for Best
21 Practices established in section 914(d) to
22 access the knowledge and experience of ex-
23 isting initiatives regarding the successful
24 implementation and effective use of health
25 information technology;

1 “(E) require that health care providers re-
2 ceiving such loans adopt the standards adopted
3 by the Federal Government under section
4 2903(d);

5 “(F) require that health care providers re-
6 ceiving such loans implement the measurement
7 system adopted under section 2908 and report
8 to the Secretary on such measures; and

9 “(G) provide matching funds in accordance
10 with paragraph (8).

11 “(4) STRATEGIC PLAN.—

12 “(A) IN GENERAL.—A State that receives
13 a grant under this subsection shall annually
14 prepare a strategic plan that identifies the in-
15 tended uses of amounts available to the State
16 loan fund of the State.

17 “(B) CONTENTS.—A strategic plan under
18 subparagraph (A) shall include—

19 “(i) a list of the projects to be as-
20 sisted through the State loan fund in the
21 first fiscal year that begins after the date
22 on which the plan is submitted;

23 “(ii) a description of the criteria and
24 methods established for the distribution of
25 funds from the State loan fund; and

1 “(iii) a description of the financial
2 status of the State loan fund and the
3 short-term and long-term goals of the
4 State loan fund.

5 “(5) USE OF FUNDS.—

6 “(A) IN GENERAL.—Amounts deposited in
7 a State loan fund, including loan repayments
8 and interest earned on such amounts, shall be
9 used only for awarding loans or loan guaran-
10 tees, or as a source of reserve and security for
11 leveraged loans, the proceeds of which are de-
12 posited in the State loan fund established under
13 paragraph (1). Loans under this section may be
14 used by a health care provider to facilitate the
15 purchase and enhance the utilization of quali-
16 fied health information technology.

17 “(B) LIMITATION.—Amounts received by a
18 State under this subsection may not be used—

19 “(i) for the purchase or other acquisi-
20 tion of any health information technology
21 system that is not a qualified health infor-
22 mation technology system;

23 “(ii) to conduct activities for which
24 Federal funds are expended under this

1 title; or the amendments made by the
2 Wired for Health Care Quality Act; or
3 ~~“(iii) for any purpose other than mak-~~
4 ~~ing loans to eligible entities under this sec-~~
5 ~~tion.~~

6 ~~“(6) TYPES OF ASSISTANCE.—Except as other-~~
7 ~~wise limited by applicable State law, amounts depos-~~
8 ~~ited into a State loan fund under this subsection~~
9 ~~may only be used for the following:~~

10 ~~“(A) To award loans that comply with the~~
11 ~~following:~~

12 ~~“(i) The interest rate for each loan~~
13 ~~shall be less than or equal to the market~~
14 ~~interest rate.~~

15 ~~“(ii) The principal and interest pay-~~
16 ~~ments on each loan shall commence not~~
17 ~~later than 1 year after the loan was award-~~
18 ~~ed, and each loan shall be fully amortized~~
19 ~~not later than 10 years after the date of~~
20 ~~the loan.~~

21 ~~“(iii) The State loan fund shall be~~
22 ~~credited with all payments of principal and~~
23 ~~interest on each loan awarded from the~~
24 ~~fund.~~

1 “(B) To guarantee, or purchase insurance
2 for, a local obligation (all of the proceeds of
3 which finance a project eligible for assistance
4 under this subsection) if the guarantee or pur-
5 chase would improve credit market access or re-
6 duce the interest rate applicable to the obliga-
7 tion involved.

8 “(C) As a source of revenue or security for
9 the payment of principal and interest on rev-
10 enue or general obligation bonds issued by the
11 State if the proceeds of the sale of the bonds
12 will be deposited into the State loan fund.

13 “(D) To earn interest on the amounts de-
14 posited into the State loan fund.

15 “(7) ADMINISTRATION OF STATE LOAN
16 FUNDS.—

17 “(A) COMBINED FINANCIAL ADMINISTRA-
18 TION.—A State may (as a convenience and to
19 avoid unnecessary administrative costs) com-
20 bine, in accordance with State law, the financial
21 administration of a State loan fund established
22 under this subsection with the financial admin-
23 istration of any other revolving fund established
24 by the State if otherwise not prohibited by the

1 law under which the State loan fund was estab-
2 lished.

3 “(B) COST OF ADMINISTERING FUND.—
4 Each State may annually use not to exceed 4
5 percent of the funds provided to the State
6 under a grant under this subsection to pay the
7 reasonable costs of the administration of the
8 programs under this section, including the re-
9 covery of reasonable costs expended to establish
10 a State loan fund which are incurred after the
11 date of enactment of this title.

12 “(C) GUIDANCE AND REGULATIONS.—The
13 Secretary shall publish guidance and promul-
14 gate regulations as may be necessary to carry
15 out the provisions of this subsection, includ-
16 ing—

17 “(i) provisions to ensure that each
18 State commits and expends funds allotted
19 to the State under this subsection as effi-
20 ciently as possible in accordance with this
21 title and applicable State laws; and

22 “(ii) guidance to prevent waste, fraud,
23 and abuse.

24 “(D) PRIVATE SECTOR CONTRIBUTIONS.—

1 “(i) IN GENERAL.—A State loan fund
2 established under this subsection may ac-
3 cept contributions from private sector enti-
4 ties, except that such entities may not
5 specify the recipient or recipients of any
6 loan issued under this subsection.

7 “(ii) AVAILABILITY OF INFORMA-
8 TION.—A State shall make publically avail-
9 able the identity of, and amount contrib-
10 uted by, any private sector entity under
11 clause (i) and may issue letters of com-
12 mendation or make other awards (that
13 have no financial value) to any such entity.

14 “(8) MATCHING REQUIREMENTS.—

15 “(A) IN GENERAL.—The Secretary may
16 not make a grant under paragraph (1) to a
17 State unless the State agrees to make available
18 (directly or through donations from public or
19 private entities) non-Federal contributions in
20 cash toward the costs of the State program to
21 be implemented under the grant in an amount
22 equal to not less than \$1 for each \$1 of Federal
23 funds provided under the grant.

24 “(B) DETERMINATION OF AMOUNT OF
25 NON-FEDERAL CONTRIBUTION.—In determining

1 the amount of non-Federal contributions that a
2 State has provided pursuant to subparagraph
3 (A), the Secretary may not include any
4 amounts provided to the State by the Federal
5 Government.

6 “(9) PREFERENCE IN AWARDING GRANTS.—
7 The Secretary may give a preference in awarding
8 grants under this subsection to States that adopt
9 value-based purchasing programs to improve health
10 care quality.

11 “(10) REPORTS.—The Secretary shall annually
12 submit to the Committee on Health, Education,
13 Labor, and Pensions and the Committee on Finance
14 of the Senate, and the Committee on Energy and
15 Commerce and the Committee on Ways and Means
16 of the House of Representatives, a report summa-
17 rizing the reports received by the Secretary from
18 each State that receives a grant under this sub-
19 section.

20 “(e) GRANTS FOR THE IMPLEMENTATION OF RE-
21 GIONAL OR LOCAL HEALTH INFORMATION TECHNOLOGY
22 PLANS.—

23 “(1) IN GENERAL.—The Secretary may award
24 competitive grants to eligible entities to implement
25 regional or local health information plans to improve

1 health care quality and efficiency through the elec-
2 tronic exchange of health information pursuant to
3 the standards, protocols, and other requirements
4 adopted by the Secretary under sections ~~2903~~ and
5 ~~2908~~.

6 “(2) ELIGIBILITY.—To be eligible to receive a
7 grant under paragraph (1) an entity shall—

8 “(A) demonstrate financial need to the
9 Secretary;

10 “(B) demonstrate that one of its principal
11 missions or purposes is to use information tech-
12 nology to improve health care quality and effi-
13 ciency;

14 “(C) adopt bylaws, memoranda of under-
15 standing, or other charter documents that dem-
16 onstrate that the governance structure and de-
17 cisionmaking processes of such entity allow for
18 participation on an ongoing basis by multiple
19 stakeholders within a community, including—

20 “(i) physicians (as defined in section
21 1861(r) of the Social Security Act), includ-
22 ing physicians that provide services to low
23 income and underserved populations;

- 1 “(ii) hospitals (including hospitals
2 that provide services to low income and un-
3 derserved populations);
- 4 “(iii) pharmacists or pharmacies;
- 5 “(iv) health insurance plans;
- 6 “(v) health centers (as defined in sec-
7 tion 330(b)) and Federally qualified health
8 centers (as defined in section 1861(aa)(4)
9 of the Social Security Act);
- 10 “(vi) rural health clinics (as defined in
11 section 1861(aa) of the Social Security
12 Act);
- 13 “(vii) patient or consumer organiza-
14 tions;
- 15 “(viii) employers; and
- 16 “(ix) any other health care providers
17 or other entities, as determined appro-
18 priate by the Secretary;
- 19 “(D) adopt nondiscrimination and conflict
20 of interest policies that demonstrate a commit-
21 ment to open, fair, and nondiscriminatory par-
22 ticipation in the health information plan by all
23 stakeholders;
- 24 “(E) adopt the standards adopted by the
25 Secretary under section 2903;

1 “(F) require that health care providers re-
 2 ceiving such loans implement the measurement
 3 system adopted under section 2908 and report
 4 to the Secretary on such measures;

5 “(G) facilitate the electronic exchange of
 6 health information within the local or regional
 7 area and among local and regional areas;

8 “(H) prepare and submit to the Secretary
 9 an application in accordance with paragraph
 10 (3); and

11 “(I) agree to provide matching funds in ac-
 12 cordance with paragraph (5).

13 “(3) APPLICATION.—

14 “(A) IN GENERAL.—To be eligible to re-
 15 ceive a grant under paragraph (1), an entity
 16 shall submit to the Secretary an application at
 17 such time, in such manner, and containing such
 18 information as the Secretary may require.

19 “(B) REQUIRED INFORMATION.—At a
 20 minimum, an application submitted under this
 21 paragraph shall include—

22 “(i) clearly identified short-term and
 23 long-term objectives of the regional or local
 24 health information plan;

1 “(ii) a technology plan that complies
2 with the standards adopted under section
3 ~~2903~~ and that includes a descriptive and
4 reasoned estimate of costs of the hardware,
5 software, training, and consulting services
6 necessary to implement the regional or
7 local health information plan;

8 “(iii) a strategy that includes initia-
9 tives to improve health care quality and ef-
10 ficiency, including the use and reporting of
11 health care quality measures adopted
12 under section ~~2908~~;

13 “(iv) a plan that describes provisions
14 to encourage the implementation of the
15 electronic exchange of health information
16 by all physicians, including single physician
17 practices and small physician groups par-
18 ticipating in the health information plan;

19 “(v) a plan to ensure the privacy and
20 security of personal health information
21 that is consistent with Federal and State
22 law;

23 “(vi) a governance plan that defines
24 the manner in which the stakeholders shall

1 jointly make policy and operational deci-
2 sions on an ongoing basis; and

3 “(vii) a financial or business plan that
4 describes—

5 “(I) the sustainability of the
6 plan;

7 “(II) the financial costs and ben-
8 efits of the plan; and

9 “(III) the entities to which such
10 costs and benefits will accrue.

11 “(4) USE OF FUNDS.—Amounts received under
12 a grant under paragraph (1) shall be used to estab-
13 lish and implement a regional or local health infor-
14 mation plan in accordance with this subsection.

15 “(5) MATCHING REQUIREMENT.—

16 “(A) IN GENERAL.—The Secretary may
17 not make a grant under this subsection to an
18 entity unless the entity agrees that, with re-
19 spect to the costs to be incurred by the entity
20 in carrying out the infrastructure program for
21 which the grant was awarded, the entity will
22 make available (directly or through donations
23 from public or private entities) non-Federal
24 contributions toward such costs in an amount
25 equal to not less than 50 percent of such costs

1 (~~\$1~~ for each ~~\$2~~ of Federal funds provided
2 under the grant).

3 “(B) DETERMINATION OF AMOUNT CON-
4 TRIBUTED.—Non-Federal contributions re-
5 quired under subparagraph (A) may be in cash
6 or in kind, fairly evaluated, including equip-
7 ment, technology, or services. Amounts provided
8 by the Federal Government, or services assisted
9 or subsidized to any significant extent by the
10 Federal Government, may not be included in
11 determining the amount of such non-Federal
12 contributions.

13 “(d) REPORTS.—Not later than 1 year after the date
14 on which the first grant is awarded under this section,
15 and annually thereafter during the grant period, an entity
16 that receives a grant under this section shall submit to
17 the Secretary a report on the activities carried out under
18 the grant involved. Each such report shall include—

19 “(1) a description of the financial costs and
20 benefits of the project involved and of the entities to
21 which such costs and benefits accrue;

22 “(2) an analysis of the impact of the project on
23 health care quality and safety;

1 “(3) a description of any reduction in duplica-
2 tive or unnecessary care as a result of the project in-
3 volved;

4 “(4) a description of the efforts of recipients
5 under this section to facilitate secure patient access
6 to health information; and

7 “(5) other information as required by the Sec-
8 retary.

9 “(e) AUTHORIZATION OF APPROPRIATIONS.—

10 “(1) IN GENERAL.—For the purpose of ear-
11 rying out this section, there is authorized to be ap-
12 propriated \$125,000,000 for fiscal year 2006,
13 \$150,000,000 for fiscal year 2007, and such sums
14 as may be necessary for each of fiscal years 2008
15 through 2010.

16 “(2) AVAILABILITY.—Amounts appropriated
17 under paragraph (1) shall remain available through
18 fiscal year 2010.

19 **“SEC. 2906. DEMONSTRATION PROGRAM TO INTEGRATE IN-**
20 **FORMATION TECHNOLOGY INTO CLINICAL**
21 **EDUCATION.**

22 “(a) IN GENERAL.—The Secretary may award grants
23 under this section to carry out demonstration projects to
24 develop academic curricula integrating qualified health in-
25 formation technology systems in the clinical education of

1 health professionals. Such awards shall be made on a com-
2 petitive basis and pursuant to peer review.

3 “(b) ELIGIBILITY.—To be eligible to receive a grant
4 under subsection (a), an entity shall—

5 “(1) submit to the Secretary an application at
6 such time, in such manner, and containing such in-
7 formation as the Secretary may require;

8 “(2) submit to the Secretary a strategic plan
9 for integrating qualified health information tech-
10 nology in the clinical education of health profes-
11 sionals and for ensuring the consistent utilization of
12 decision support software to reduce medical errors
13 and enhance health care quality;

14 “(3) be—

15 “(A) a health professions school;

16 “(B) a school of nursing; or

17 “(C) a graduate medical education pro-
18 gram;

19 “(4) provide for the collection of data regarding
20 the effectiveness of the demonstration project to be
21 funded under the grant in improving the safety of
22 patients, the efficiency of health care delivery, and
23 in increasing the likelihood that graduates of the
24 grantee will adopt and incorporate health informa-

1 tion technology in the delivery of health care serv-
2 ices; and

3 ~~“(5) provide matching funds in accordance with~~
4 ~~subsection (e).~~

5 ~~“(e) USE OF FUNDS.—~~

6 ~~“(1) IN GENERAL.—With respect to a grant~~
7 ~~under subsection (a), an eligible entity shall—~~

8 ~~“(A) use grant funds in collaboration with~~
9 ~~2 or more disciplines; and~~

10 ~~“(B) use grant funds to integrate qualified~~
11 ~~health information technology into community-~~
12 ~~based clinical education.~~

13 ~~“(2) LIMITATION.—An eligible entity shall not~~
14 ~~use amounts received under a grant under sub-~~
15 ~~section (a) to purchase hardware, software, or serv-~~
16 ~~ices.~~

17 ~~“(d) MATCHING FUNDS.—~~

18 ~~“(1) IN GENERAL.—The Secretary may award~~
19 ~~a grant to an entity under this section only if the~~
20 ~~entity agrees to make available non-Federal con-~~
21 ~~tributions toward the costs of the program to be~~
22 ~~funded under the grant in an amount that is not~~
23 ~~less than \$1 for each \$2 of Federal funds provided~~
24 ~~under the grant.~~

1 “(2) DETERMINATION OF AMOUNT CONTRIB-
2 UTED.—Non-Federal contributions under paragraph
3 (1) may be in cash or in kind, fairly evaluated, in-
4 cluding equipment or services. Amounts provided by
5 the Federal Government, or services assisted or sub-
6 sidized to any significant extent by the Federal Gov-
7 ernment, may not be included in determining the
8 amount of such contributions.

9 “(e) EVALUATION.—The Secretary shall take such
10 action as may be necessary to evaluate the projects funded
11 under this section and publish, make available, and dis-
12 seminate the results of such evaluations on as wide a basis
13 as is practicable.

14 “(f) REPORTS.—Not later than 1 year after the date
15 of enactment of this title, and annually thereafter, the Sec-
16 retary shall submit to the Committee on Health, Edu-
17 cation, Labor, and Pensions and the Committee on Fi-
18 nance of the Senate, and the Committee on Energy and
19 Commerce and the Committee on Ways and Means of the
20 House of Representatives a report that—

21 “(1) describes the specific projects established
22 under this section; and

23 “(2) contains recommendations for Congress
24 based on the evaluation conducted under subsection
25 (e).

1 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
 2 is authorized to be appropriated to carry out this section,
 3 \$5,000,000 for fiscal year 2007, and such sums as may
 4 be necessary for each of fiscal years 2008 through 2010.

5 “(h) SUNSET.—This section shall not apply after
 6 September 30, 2010.

7 **“SEC. 2907. LICENSURE AND THE ELECTRONIC EXCHANGE**
 8 **OF HEALTH INFORMATION.**

9 “(a) IN GENERAL.—The Secretary shall carry out,
 10 or contract with a private entity to carry out, a study that
 11 examines—

12 “(1) the variation among State laws that relate
 13 to the licensure, registration, and certification of
 14 medical professionals; and

15 “(2) how such variation among State laws im-
 16 pacts the secure electronic exchange of health infor-
 17 mation—

18 “(A) among the States; and

19 “(B) between the States and the Federal
 20 Government.

21 “(b) REPORT AND RECOMMENDATIONS.—Not later
 22 than 1 year after the date of enactment of this title, the
 23 Secretary shall publish a report that—

24 “(1) describes the results of the study carried
 25 out under subsection (a); and

1 “(2) makes recommendations to States regard-
2 ing the harmonization of State laws based on the re-
3 sults of such study.

4 **“SEC. 2908. QUALITY MEASUREMENT SYSTEMS.**

5 “(a) IN GENERAL.—The Secretary of Health and
6 Human Services, the Secretary of Veterans Affairs, the
7 Secretary of Defense, and representatives of other relevant
8 Federal agencies, as determined appropriate by the Sec-
9 retary, (referred to in the section as the ‘Secretaries’) shall
10 jointly develop a quality measurement system for the pur-
11 pose of measuring the quality of care patients receive.

12 “(b) REQUIREMENTS.—The Secretaries shall ensure
13 that the quality measurement system developed under sub-
14 section (a) comply with the following:

15 “(1) MEASURES.—

16 “(A) IN GENERAL.—Subject to subpara-
17 graph (B), the Secretaries shall select measures
18 of quality to be used by the Secretaries under
19 the systems.

20 “(B) REQUIREMENTS.—In selecting the
21 measures to be used under each system pursu-
22 ant to subparagraph (A), the Secretaries shall,
23 to the extent feasible, ensure that—

24 “(i) such measures are evidence
25 based, reliable and valid;

1 “(ii) such measures include measures
2 of process, structure, patient experience,
3 efficiency, and equity; and

4 “(iii) such measures include measures
5 of overuse, underuse, and misuse of health
6 care items and services.

7 “(2) PRIORITIES.—In developing the system
8 under subsection (a), the Secretaries shall ensure
9 that priority is given to—

10 “(A) measures with the greatest potential
11 impact for improving the quality and efficiency
12 of care provided under Federal programs;

13 “(B) measures that may be rapidly imple-
14 mented by group health plans, health insurance
15 issuers, physicians, hospitals, nursing homes,
16 long-term care providers, and other providers;
17 and

18 “(C) measures which may inform health
19 care decisions made by consumers and patients.

20 “(3) WEIGHTS OF MEASURES.—The Secretaries
21 shall assign weights to the measures used by the
22 Secretaries under each system established under
23 subsection (a).

24 “(4) RISK ADJUSTMENT.—The Secretaries shall
25 establish procedures to account for differences in pa-

1 tient health status, patient characteristics, and geo-
2 graphic location. To the extent practicable, such pro-
3 cedures shall recognize existing procedures.

4 “(5) MAINTENANCE.—The Secretaries shall, as
5 determined appropriate, but in no case more often
6 than once during each 12-month period, update the
7 quality measurement systems developed under sub-
8 section (a), including through—

9 “(A) the addition of more accurate and
10 precise measures under the systems and the re-
11 irement of existing outdated measures under
12 the systems; and

13 “(B) the refinement of the weights as-
14 signed to measures under the systems.

15 “(e) REQUIRED CONSIDERATIONS IN DEVELOPING
16 AND UPDATING THE SYSTEMS.—In developing and updat-
17 ing the quality measurement systems under this section,
18 the Secretaries shall—

19 “(1) consult with, and take into account the
20 recommendations of, the entity that the Secretaries
21 has an arrangement with under subsection (c);

22 “(2) consult with representatives of health care
23 providers, consumers, employers, and other individ-
24 uals and groups that are interested in the quality of
25 health care; and

1 ~~“(3) take into account—~~

2 ~~“(A) any demonstration or pilot program~~
3 ~~conducted by the Secretaries relating to meas-~~
4 ~~uring and rewarding quality and efficiency of~~
5 ~~care;~~

6 ~~“(B) any existing activities conducted by~~
7 ~~the Secretaries relating to measuring and re-~~
8 ~~warding quality and efficiency;~~

9 ~~“(C) any existing activities conducted by~~
10 ~~private entities including health insurance plans~~
11 ~~and payors; and~~

12 ~~“(D) the report by the Institute of Medi-~~
13 ~~cine of the National Academy of Sciences under~~
14 ~~section 238(b) of the Medicare Prescription~~
15 ~~Drug, Improvement, and Modernization Act of~~
16 ~~2003.~~

17 ~~“(d) REQUIRED CONSIDERATIONS IN IMPLEMENTING~~
18 ~~THE SYSTEMS.—In implementing the quality measure-~~
19 ~~ment systems under this section, the Secretaries shall take~~
20 ~~into account the recommendations of public-private enti-~~
21 ~~ties—~~

22 ~~“(1) that are established to examine issues of~~
23 ~~data collection and reporting, including the feasi-~~
24 ~~bility of collecting and reporting data on measures;~~
25 ~~and~~

1 “(2) that involve representatives of health care
2 providers, consumers, employers, and other individ-
3 uals and groups that are interested in quality of
4 care.

5 “(e) ARRANGEMENT WITH AN ENTITY TO PROVIDE
6 ADVICE AND RECOMMENDATIONS.—

7 “(1) ARRANGEMENT.—On and after July 1,
8 2006, the Secretaries shall have in place an arrange-
9 ment with an entity that meets the requirements de-
10 scribed in paragraph (2) under which such entity
11 provides the Secretaries with advice on, and rec-
12 ommendations with respect to, the development and
13 updating of the quality measurement systems under
14 this section, including the assigning of weights to
15 the measures under subsection (b)(2).

16 “(2) REQUIREMENTS DESCRIBED.—The re-
17 quirements described in this paragraph are the fol-
18 lowing:

19 “(A) The entity is a private nonprofit enti-
20 ty governed by an executive director and a
21 board.

22 “(B) The members of the entity include
23 representatives of—

24 “(i) health insurance plans and pro-
25 viders with experience in the care of indi-

1 individuals with multiple complex chronic con-
2 ditions or groups representing such health
3 insurance plans and providers;

4 “(ii) groups representing patients and
5 consumers;

6 “(iii) purchasers and employers or
7 groups representing purchasers or employ-
8 ers;

9 “(iv) organizations that focus on qual-
10 ity improvement as well as the measure-
11 ment and reporting of quality measures;

12 “(v) State government health pro-
13 grams;

14 “(vi) individuals or entities skilled in
15 the conduct and interpretation of bio-
16 medical, health services, and health eco-
17 nomics research and with expertise in out-
18 comes and effectiveness research and tech-
19 nology assessment; and

20 “(vii) individuals or entities involved
21 in the development and establishment of
22 standards and certification for health in-
23 formation technology systems and clinical
24 data.

1 “(C) The membership of the entity is rep-
2 resentative of individuals with experience with
3 urban health care issues and individuals with
4 experience with rural and frontier health care
5 issues.

6 “(D) If the entity requires a fee for mem-
7 bership, the entity shall provide assurances to
8 the Secretaries that such fees are not a sub-
9 stantial barrier to participation in the entity’s
10 activities related to the arrangement with the
11 Secretaries.

12 “(E) The entity—

13 “(i) permits any member described in
14 subparagraph (B) to vote on matters of
15 the entity related to the arrangement with
16 the Secretary under paragraph (1); and

17 “(ii) ensures that member voting pro-
18 vides a balance among disparate stake-
19 holders, so that no member organization
20 described in subparagraph (B) unduly in-
21 fluences the outcome.

22 “(F) With respect to matters related to the
23 arrangement with the Secretary under para-
24 graph (1), the entity conducts its business in an

1 open and transparent manner and provides the
2 opportunity for public comment.

3 “(G) The entity operates as a voluntary
4 consensus standards setting organization as de-
5 fined for purposes of section 12(d) of the Na-
6 tional Technology Transfer and Advancement
7 Act of 1995 (Public Law 104–113) and Office
8 of Management and Budget Revised Circular
9 A–119 (published in the Federal Register on
10 February 10, 1998).

11 “(f) USE OF QUALITY MEASUREMENT SYSTEM.—

12 “(1) IN GENERAL.—For purposes of activities
13 conducted or supported by the Secretary under this
14 Act, the Secretary shall, to the extent practicable,
15 adopt and utilize the measurement system developed
16 under this section.

17 “(2) COLLABORATIVE AGREEMENTS.—With re-
18 spect to activities conducted or supported by the
19 Secretary under this Act, the Secretary may estab-
20 lish collaborative agreements with private entities,
21 including group health plans and health insurance
22 issuers, providers, purchasers, consumer organiza-
23 tions, and entities receiving a grant under section
24 2908, to—

1 “(A) encourage the use of the health care
2 quality measures adopted by the Secretary
3 under this section; and

4 “(B) foster uniformity between the health
5 care quality measures utilized by private enti-
6 ties.

7 “(g) DISSEMINATION OF INFORMATION.—Beginning
8 on January 1, 2008, in order to make comparative quality
9 information available to health care consumers, health
10 professionals, public health officials, researchers, and
11 other appropriate individuals and entities, the Secretary
12 shall provide for the aggregation and analysis of quality
13 measures collected under section 2905 and the dissemina-
14 tion of recommendations and best practices derived in part
15 from such analysis.

16 “(h) TECHNICAL ASSISTANCE.—The Secretary shall
17 provide technical assistance to public and private entities
18 to enable such entities to—

19 “(1) implement and use evidence-based guide-
20 lines with the greatest potential to improve health
21 care quality, efficiency, and patient safety; and

22 “(2) establish mechanisms for the rapid dis-
23 semination of information regarding evidence-based
24 guidelines with the greatest potential to improve
25 health care quality, efficiency, and patient safety.

1 **“SEC. 2909. APPLICABILITY OF PRIVACY AND SECURITY**
 2 **REGULATIONS.**

3 “The regulations promulgated by the Secretary under
 4 part C of title XI of the Social Security Act and sections
 5 261, 262, 263, and 264 of the Health Insurance Port-
 6 ability and Accountability Act of 1996 with respect to the
 7 privacy, confidentiality, and security of health information
 8 shall—

9 “(1) apply to any health information stored or
 10 transmitted in an electronic format on or after the
 11 date of enactment of this title; and

12 “(2) apply to the implementation of standards,
 13 programs, and activities under this title.

14 **“SEC. 2910. STUDY OF REIMBURSEMENT INCENTIVES.**

15 “The Secretary shall carry out, or contract with a
 16 private entity to carry out, a study that examines methods
 17 to create efficient reimbursement incentives for improving
 18 health care quality in Federally qualified health centers,
 19 rural health clinics, and free clinics.”.

20 **SEC. 3. HEALTH INFORMATION TECHNOLOGY RESOURCE**
 21 **CENTER.**

22 Section 914 of the Public Health Service Act (42
 23 U.S.C. 299b-3) is amended by adding at the end the fol-
 24 lowing:

25 “(d) CENTER FOR BEST PRACTICES.—

1 “(1) IN GENERAL.—The Secretary, acting
2 through the Director, shall develop a Center for Best
3 Practices to provide technical assistance and develop
4 best practices to support and accelerate efforts to
5 adopt, implement, and effectively use interoperable
6 health information technology in compliance with
7 section 2903 and 2908.

8 “(2) CENTER FOR BEST PRACTICES.—

9 “(A) IN GENERAL.—The Center shall sup-
10 port activities to meet goals, including—

11 “(i) providing for the widespread
12 adoption of interoperable health informa-
13 tion technology;

14 “(ii) providing for the establishment
15 of regional and local health information
16 networks to facilitate the development of
17 interoperability across health care settings
18 and improve the quality of health care;

19 “(iii) the development of solutions to
20 barriers to the exchange of electronic
21 health information; or

22 “(iv) other activities identified by the
23 States, local or regional health information
24 networks, or health care stakeholders as a

1 focus for developing and sharing best prac-
2 tices.

3 “(B) PURPOSES.—The purpose of the Cen-
4 ter is to—

5 “(i) provide a forum for the exchange
6 of knowledge and experience;

7 “(ii) accelerate the transfer of lessons
8 learned from existing public and private
9 sector initiatives, including those currently
10 receiving Federal financial support;

11 “(iii) assemble, analyze, and widely
12 disseminate evidence and experience re-
13 lated to the adoption, implementation, and
14 effective use of interoperable health infor-
15 mation technology; and

16 “(iv) assure the timely provision of
17 technical and expert assistance from the
18 Agency and its contractors.

19 “(C) SUPPORT FOR ACTIVITIES.—To pro-
20 vide support for the activities of the Center, the
21 Director shall modify the requirements, if nec-
22 essary, that apply to the National Resource
23 Center for Health Information Technology to
24 provide the necessary infrastructure to support
25 the duties and activities of the Center and fa-

1 facilitate information exchange across the public
2 and private sectors.

3 ~~“(3) TECHNICAL ASSISTANCE TELEPHONE~~
4 ~~NUMBER OR WEBSITE.—~~The Secretary shall estab-
5 lish a toll-free telephone number or Internet website
6 to provide health care providers and patients with a
7 single point of contact to—

8 ~~“(A) learn about Federal grants and tech-~~
9 ~~nical assistance services related to interoperable~~
10 ~~health information technology;~~

11 ~~“(B) learn about qualified health informa-~~
12 ~~tion technology and the quality measurement~~
13 ~~system adopted by the Federal Government~~
14 ~~under sections 2903 and 2908;~~

15 ~~“(C) learn about regional and local health~~
16 ~~information networks for assistance with health~~
17 ~~information technology; and~~

18 ~~“(D) disseminate additional information~~
19 ~~determined by the Secretary.~~

20 ~~“(4) AUTHORIZATION OF APPROPRIATIONS.—~~
21 ~~There are authorized to be appropriated to carry out~~
22 ~~this subsection, such sums as may be necessary for~~
23 ~~each of fiscal years 2006 through 2010.”.~~

1 **SEC. 4. REAUTHORIZATION OF INCENTIVE GRANTS RE-**
 2 **GARDING TELEMEDICINE.**

3 Section 330L(b) of the Public Health Service Act (42
 4 U.S.C. 254e–18(b)) is amended by striking “2002 through
 5 2006” and inserting “2006 through 2010”.

6 **SECTION 1. SHORT TITLE.**

7 *This Act may be cited as the “Wired for Health Care*
 8 *Quality Act”.*

9 **SEC. 2. IMPROVING HEALTH CARE QUALITY, SAFETY, AND**
 10 **EFFICIENCY.**

11 *The Public Health Service Act (42 U.S.C. 201 et seq.)*
 12 *is amended by adding at the end the following:*

13 **“TITLE XXIX—HEALTH INFORMA-**
 14 **TION TECHNOLOGY AND**
 15 **QUALITY**

16 **“SEC. 2901. DEFINITIONS.**

17 *“In this title:*

18 *“(1) HEALTH CARE PROVIDER.—The term*
 19 *‘health care provider’ means a hospital, skilled nurs-*
 20 *ing facility, home health entity, health care clinic,*
 21 *federally qualified health center, group practice (as*
 22 *defined in section 1877(h)(4) of the Social Security*
 23 *Act), a pharmacist, a pharmacy, a laboratory, a phy-*
 24 *sician (as defined in section 1861(r) of the Social Se-*
 25 *curity Act), a health facility operated by or pursuant*
 26 *to a contract with the Indian Health Service, a rural*

1 *health clinic, and any other category of facility or cli-*
2 *nician determined appropriate by the Secretary.*

3 “(2) *HEALTH INFORMATION.*—*The term ‘health*
4 *information’ has the meaning given such term in sec-*
5 *tion 1171(4) of the Social Security Act.*

6 “(3) *HEALTH INSURANCE PLAN.*—*The term*
7 *‘health insurance plan’ means—*

8 “(A) *a health insurance issuer (as defined*
9 *in section 2791(b)(2));*

10 “(B) *a group health plan (as defined in sec-*
11 *tion 2791(a)(1)); and*

12 “(C) *a health maintenance organization (as*
13 *defined in section 2791(b)(3)).*

14 “(4) *LABORATORY.*—*The term ‘laboratory’ has*
15 *the meaning given that term in section 353.*

16 “(5) *PHARMACIST.*—*The term ‘pharmacist’ has*
17 *the meaning given that term in section 804 of the*
18 *Federal Food, Drug, and Cosmetic Act.*

19 “(6) *QUALIFIED HEALTH INFORMATION TECH-*
20 *NOLOGY.*—*The term ‘qualified health information*
21 *technology’ means a computerized system (including*
22 *hardware and software) that—*

23 “(A) *protects the privacy and security of*
24 *health information;*

1 “(B) maintains and provides permitted ac-
2 cess to health information in an electronic for-
3 mat;

4 “(C) incorporates decision support to reduce
5 medical errors and enhance health care quality;

6 “(D) complies with the standards adopted
7 by the Federal Government under section 2903;
8 and

9 “(E) allows for the reporting of quality
10 measures under section 2908.

11 “(7) STATE.—The term ‘State’ means each of the
12 several States, the District of Columbia, Puerto Rico,
13 the Virgin Islands, Guam, American Samoa, and the
14 Northern Mariana Islands.

15 **“SEC. 2902. OFFICE OF THE NATIONAL COORDINATOR OF**
16 **HEALTH INFORMATION TECHNOLOGY.**

17 “(a) OFFICE OF NATIONAL HEALTH INFORMATION
18 TECHNOLOGY.—There is established within the Office of the
19 Secretary an Office of the National Coordinator of Health
20 Information Technology (referred to in this section as the
21 ‘Office’). The Office shall be headed by a National Coordi-
22 nator who shall be appointed by the President, in consulta-
23 tion with the Secretary, and shall report directly to the Sec-
24 retary.

1 “(b) *PURPOSE.*—*It shall be the purpose of the Office*
2 *to coordinate and oversee programs and activities to develop*
3 *a nationwide interoperable health information technology*
4 *infrastructure that—*

5 “(1) *ensures that patients’ health information is*
6 *secure and protected;*

7 “(2) *improves health care quality, reduces med-*
8 *ical errors, and advances the delivery of patient-cen-*
9 *tered medical care;*

10 “(3) *reduces health care costs resulting from ineff-*
11 *iciency, medical errors, inappropriate care, and in-*
12 *complete information;*

13 “(4) *ensures that appropriate information to*
14 *help guide medical decisions is available at the time*
15 *and place of care;*

16 “(5) *promotes a more effective marketplace,*
17 *greater competition, and increased choice through the*
18 *wider availability of accurate information on health*
19 *care costs, quality, and outcomes;*

20 “(6) *improves the coordination of care and infor-*
21 *mation among hospitals, laboratories, physician of-*
22 *fices, and other entities through an effective infra-*
23 *structure for the secure and authorized exchange of*
24 *health care information;*

1 “(7) improves public health reporting and facili-
2 tates the early identification and rapid response to
3 public health threats and emergencies, including bio-
4 terror events and infectious disease outbreaks;

5 “(8) facilitates health research; and

6 “(9) promotes prevention of chronic diseases.

7 “(c) *DUTIES OF THE NATIONAL COORDINATOR.*—The
8 National Coordinator shall—

9 “(1) serve as a member of the public-private
10 American Health Information Collaborative estab-
11 lished under section 2903;

12 “(2) serve as the principal advisor to the Sec-
13 retary concerning the development, application, and
14 use of health information technology, and coordinate
15 and oversee the health information technology pro-
16 grams of the Department;

17 “(3) facilitate the adoption of a nationwide,
18 interoperable system for the electronic exchange of
19 health information;

20 “(4) ensure the adoption and implementation of
21 standards for the electronic exchange of health infor-
22 mation to reduce cost and improve health care qual-
23 ity;

24 “(5) ensure that health information technology
25 policy and programs of the Department are coordi-

1 nated with those of relevant executive branch agencies
2 (including Federal commissions) with a goal of avoid-
3 ing duplication of efforts and of helping to ensure
4 that each agency undertakes health information tech-
5 nology activities primarily within the areas of its
6 greatest expertise and technical capability;

7 “(6) to the extent permitted by law, coordinate
8 outreach and consultation by the relevant executive
9 branch agencies (including Federal commissions) with
10 public and private parties of interest, including con-
11 sumers, payers, employers, hospitals and other health
12 care providers, physicians, community health centers,
13 laboratories, vendors and other stakeholders;

14 “(7) advise the President regarding specific Fed-
15 eral health information technology programs; and

16 “(8) submit the reports described under section
17 2903(i) (excluding paragraph (4) of such section).

18 “(d) *DETAIL OF FEDERAL EMPLOYEES.*—

19 “(1) *IN GENERAL.*—Upon the request of the Na-
20 tional Coordinator, the head of any Federal agency is
21 authorized to detail, with or without reimbursement
22 from the Office, any of the personnel of such agency
23 to the Office to assist it in carrying out its duties
24 under this section.

1 “(2) *EFFECT OF DETAIL.*—Any detail of per-
2 sonnel under paragraph (1) shall—

3 “(A) not interrupt or otherwise affect the
4 civil service status or privileges of the Federal
5 employee; and

6 “(B) be in addition to any other staff of the
7 Department employed by the National Coordi-
8 nator.

9 “(3) *ACCEPTANCE OF DETAILEES.*—Notwith-
10 standing any other provision of law, the Office may
11 accept detailed personnel from other Federal agencies
12 without regard to whether the agency described under
13 paragraph (1) is reimbursed.

14 “(e) *RULE OF CONSTRUCTION.*—Nothing in this sec-
15 tion shall be construed to require the duplication of Federal
16 efforts with respect to the establishment of the Office, regard-
17 less of whether such efforts were carried out prior to or after
18 the enactment of this title.

19 “(f) *AUTHORIZATION OF APPROPRIATIONS.*—There are
20 authorized to be appropriated to carry out this section,
21 \$5,000,000 for fiscal year 2006, \$5,000,000 for fiscal year
22 2007, and such sums as may be necessary for each of fiscal
23 years 2008 through 2010.

1 **“SEC. 2903. AMERICAN HEALTH INFORMATION COLLABO-**
2 **RATIVE.**

3 *“(a) PURPOSE.—The Secretary shall establish the pub-*
4 *lic-private American Health Information Collaborative (re-*
5 *ferred to in this section as the ‘Collaborative’) to—*

6 *“(1) advise the Secretary and recommend spe-*
7 *cific actions to achieve a nationwide interoperable*
8 *health information technology infrastructure;*

9 *“(2) serve as a forum for the participation of a*
10 *broad range of stakeholders to provide input on*
11 *achieving the interoperability of health information*
12 *technology; and*

13 *“(3) recommend standards (including content,*
14 *communication, and security standards) for the elec-*
15 *tronic exchange of health information (including for*
16 *the reporting of quality data under section 2908) for*
17 *adoption by the Federal Government and voluntary*
18 *adoption by private entities.*

19 *“(b) COMPOSITION.—*

20 *“(1) IN GENERAL.—The Collaborative shall be*
21 *composed of—*

22 *“(A) the Secretary, who shall serve as the*
23 *chairperson of the Collaborative;*

24 *“(B) the Secretary of Defense, or his or her*
25 *designee;*

1 “(C) *the Secretary of Veterans Affairs, or*
2 *his or her designee;*

3 “(D) *the Secretary of Commerce, or his or*
4 *her designee;*

5 “(E) *the National Coordinator for Health*
6 *Information Technology;*

7 “(F) *representatives of other relevant Fed-*
8 *eral agencies, as determined appropriate by the*
9 *Secretary; and*

10 “(G) *representatives from each of the fol-*
11 *lowing categories to be appointed by the Sec-*
12 *retary from nominations submitted by the pub-*
13 *lic—*

14 “(i) *consumer and patient organiza-*
15 *tions;*

16 “(ii) *experts in health information pri-*
17 *vacv and security;*

18 “(iii) *health care providers;*

19 “(iv) *health insurance plans or other*
20 *third party payors;*

21 “(v) *standards development organiza-*
22 *tions;*

23 “(vi) *information technology vendors;*

24 “(vii) *purchasers or employers; and*

1 “(viii) *State or local government agen-*
2 *cies or Indian tribe or tribal organizations.*

3 “(2) *CONSIDERATIONS.—In appointing members*
4 *under paragraph (1)(G), the Secretary shall select in-*
5 *dividuals with expertise in—*

6 “(A) *health information privacy;*

7 “(B) *health information security;*

8 “(C) *health care quality and patient safety,*
9 *including those individuals with expertise in uti-*
10 *lizing health information technology to improve*
11 *health care quality and patient safety;*

12 “(D) *data exchange; and*

13 “(E) *developing health information tech-*
14 *nology standards and new health information*
15 *technology.*

16 “(3) *PARTICIPATION.—Membership and proce-*
17 *dures of the Collaborative shall ensure a balance*
18 *among various sectors of the healthcare system so that*
19 *no single sector unduly influences the recommenda-*
20 *tions of the Collaborative.*

21 “(4) *TERMS.—Members appointed under para-*
22 *graph (1)(G) shall serve for 2 year terms, except that*
23 *any member appointed to fill a vacancy for an unex-*
24 *pired term shall be appointed for the remainder of*
25 *such term. A member may serve for not to exceed 180*

1 *days after the expiration of such member’s term or*
2 *until a successor has been appointed.*

3 “(c) *RECOMMENDATIONS AND POLICIES.*—*Not later*
4 *than 1 year after the date of enactment of this title, and*
5 *annually thereafter, the Collaborative shall recommend to*
6 *the Secretary uniform national policies for adoption by the*
7 *Federal Government and voluntary adoption by private en-*
8 *tities to support the widespread adoption of health informa-*
9 *tion technology, including—*

10 “(1) *protection of health information through*
11 *privacy and security practices;*

12 “(2) *measures to prevent unauthorized access to*
13 *health information;*

14 “(3) *methods to facilitate secure patient access to*
15 *health information;*

16 “(4) *fostering the public understanding of health*
17 *information technology;*

18 “(5) *the ongoing harmonization of industry-wide*
19 *health information technology standards;*

20 “(6) *recommendations for a nationwide inter-*
21 *operable health information technology infrastructure;*

22 “(7) *the identification and prioritization of spe-*
23 *cific use cases for which health information technology*
24 *is valuable, beneficial, and feasible;*

1 “(8) *recommendations for the establishment of an*
2 *entity to ensure the continuation of the functions of*
3 *the Collaborative; and*

4 “(9) *other policies (including recommendations*
5 *for incorporating health information technology into*
6 *the provision of care and the organization of the*
7 *health care workplace) determined to be necessary by*
8 *the Collaborative.*

9 “(d) *STANDARDS.—*

10 “(1) *EXISTING STANDARDS.—The standards*
11 *adopted by the Consolidated Health Informatics Ini-*
12 *tiative shall be deemed to have been recommended by*
13 *the Collaborative under this section.*

14 “(2) *FIRST YEAR REVIEW.—Not later than 1*
15 *year after the date of enactment of this title, the Col-*
16 *laborative shall—*

17 “(A) *review existing standards (including*
18 *content, communication, and security standards)*
19 *for the electronic exchange of health information,*
20 *including such standards adopted by the Sec-*
21 *retary under paragraph (2)(A);*

22 “(B) *identify deficiencies and omissions in*
23 *such existing standards; and*

24 “(C) *identify duplication and overlap in*
25 *such existing standards;*

1 *and recommend new standards and modifications to*
2 *such existing standards as necessary.*

3 “(3) *ONGOING REVIEW.*—*Beginning 1 year after*
4 *the date of enactment of this title, and annually*
5 *thereafter, the Collaborative shall—*

6 “(A) *review existing standards (including*
7 *content, communication, and security standards)*
8 *for the electronic exchange of health information,*
9 *including such standards adopted by the Sec-*
10 *retary under paragraph (2)(A);*

11 “(B) *identify deficiencies and omissions in*
12 *such existing standards; and*

13 “(C) *identify duplication and overlap in*
14 *such existing standards;*

15 *and recommend new standards and modifications to*
16 *such existing standards as necessary.*

17 “(4) *LIMITATION.*—*The standards and timeframe*
18 *for adoption described in this section shall be con-*
19 *sistent with any standards developed pursuant to the*
20 *Health Insurance Portability and Accountability Act*
21 *of 1996.*

22 “(e) *FEDERAL ACTION.*—*Not later than 60 days after*
23 *the issuance of a recommendation from the Collaborative*
24 *under subsection (d)(2), the Secretary of Health and*
25 *Human Services, the Secretary of Veterans Affairs, and the*

1 *Secretary of Defense, in collaboration with representatives*
2 *of other relevant Federal agencies, as determined appro-*
3 *priate by the Secretary, shall jointly review such rec-*
4 *ommendations. The Secretary shall provide for the adoption*
5 *by the Federal Government of any standard or standards*
6 *contained in such recommendation.*

7 “(f) *COORDINATION OF FEDERAL SPENDING.—Not*
8 *later than 1 year after the adoption by the Federal Govern-*
9 *ment of a recommendation as provided for in subsection*
10 *(e), and in compliance with chapter 113 of title 40, United*
11 *States Code, no Federal agency shall expend Federal funds*
12 *for the purchase of any form of health information tech-*
13 *nology or health information technology system for clinical*
14 *care or for the electronic retrieval, storage, or exchange of*
15 *health information that is not consistent with applicable*
16 *standards adopted by the Federal Government under sub-*
17 *section (e).*

18 “(g) *COORDINATION OF FEDERAL DATA COLLEC-*
19 *TION.—Not later than 3 years after the adoption by the*
20 *Federal Government of a recommendation as provided for*
21 *in subsection (e), all Federal agencies collecting health data*
22 *for the purposes of quality reporting, surveillance, epidemi-*
23 *ology, adverse event reporting, research, or for other pur-*
24 *poses determined appropriate by the Secretary, shall com-*
25 *ply with standards adopted under subsection (e).*

1 “(h) *VOLUNTARY ADOPTION.*—

2 “(1) *IN GENERAL.*—*Any standards adopted by*
3 *the Federal Government under subsection (e) shall be*
4 *voluntary with respect to private entities.*

5 “(2) *RULE OF CONSTRUCTION.*—*Nothing in this*
6 *section shall be construed to require that a private en-*
7 *tity that enters into a contract with the Federal Gov-*
8 *ernment adopt the standards adopted by the Federal*
9 *Government under section 2903 with respect to activi-*
10 *ties not related to the contract.*

11 “(3) *LIMITATION.*—*Private entities that enter*
12 *into a contract with the Federal Government shall*
13 *adopt the standards adopted by the Federal Govern-*
14 *ment under section 2903 for the purpose of activities*
15 *under such Federal contract.*

16 “(i) *REPORTS.*—*The Secretary shall submit to the*
17 *Committee on Health, Education, Labor, and Pensions and*
18 *the Committee on Finance of the Senate and the Committee*
19 *on Energy and Commerce and the Committee on Ways and*
20 *Means of the House of Representatives, on an annual basis,*
21 *a report that—*

22 “(1) *describes the specific actions that have been*
23 *taken by the Federal Government and private entities*
24 *to facilitate the adoption of an interoperable nation-*

1 *wide system for the electronic exchange of health in-*
2 *formation;*

3 *“(2) describes barriers to the adoption of such a*
4 *nationwide system;*

5 *“(3) contains recommendations to achieve full*
6 *implementation of such a nationwide system; and*

7 *“(4) contains a plan and progress toward the es-*
8 *tablishment of an entity to ensure the continuation of*
9 *the functions of the Collaborative.*

10 *“(j) APPLICATION OF FACCA.—The Federal Advisory*
11 *Committee Act (5 U.S.C. App.) shall apply to the Collabo-*
12 *rative, except that the term provided for under section*
13 *14(a)(2) shall be 5 years.*

14 *“(k) RULE OF CONSTRUCTION.—Nothing in this sec-*
15 *tion shall be construed to require the duplication of Federal*
16 *efforts with respect to the establishment of the Collaborative,*
17 *regardless of whether such efforts were carried out prior to*
18 *or after the enactment of this title.*

19 *“(l) AUTHORIZATION OF APPROPRIATIONS.—There are*
20 *authorized to be appropriated to carry out this section,*
21 *\$4,000,000 for fiscal year 2006, \$4,000,000 for fiscal year*
22 *2007, and such sums as may be necessary for each of fiscal*
23 *years 2008 through 2010.*

1 **“SEC. 2904. IMPLEMENTATION AND CERTIFICATION OF**
2 **HEALTH INFORMATION STANDARDS.**

3 “(a) *IMPLEMENTATION.*—

4 “(1) *IN GENERAL.*—*The Secretary, based upon*
5 *the recommendations of the Collaborative, shall de-*
6 *velop criteria to ensure uniform and consistent imple-*
7 *mentation of any standards for the electronic ex-*
8 *change of health information voluntarily adopted by*
9 *private entities in technical conformance with such*
10 *standards adopted under this title.*

11 “(2) *IMPLEMENTATION ASSISTANCE.*—*The Sec-*
12 *retary may recognize a private entity or entities to*
13 *assist private entities in the implementation of the*
14 *standards adopted under this title using the criteria*
15 *developed by the Secretary under this section.*

16 “(b) *CERTIFICATION.*—

17 “(1) *IN GENERAL.*—*The Secretary, based upon*
18 *the recommendations of the Collaborative, shall de-*
19 *velop criteria to ensure and certify that hardware and*
20 *software that claim to be in compliance with any*
21 *standard for the electronic exchange of health infor-*
22 *mation adopted under this title have established and*
23 *maintained such compliance in technical conformance*
24 *with such standards.*

25 “(2) *CERTIFICATION ASSISTANCE.*—*The Sec-*
26 *retary may recognize a private entity or entities to*

1 *assist in the certification described under paragraph*
 2 *(1) using the criteria developed by the Secretary*
 3 *under this section.*

4 “(c) *DELEGATION AUTHORITY.—The Secretary,*
 5 *through consultation with the Collaborative, may accept*
 6 *recommendations on the development of the criteria under*
 7 *subsections (a) and (b) from a Federal agency or private*
 8 *entity.*

9 **“SEC. 2905. GRANTS TO FACILITATE THE WIDESPREAD**
 10 **ADOPTION OF INTEROPERABLE HEALTH IN-**
 11 **FORMATION TECHNOLOGY.**

12 “(a) *COMPETITIVE GRANTS TO FACILITATE THE*
 13 *WIDESPREAD ADOPTION OF HEALTH INFORMATION TECH-*
 14 *NOLOGY.—*

15 “(1) *IN GENERAL.—The Secretary may award*
 16 *competitive grants to eligible entities to facilitate the*
 17 *purchase and enhance the utilization of qualified*
 18 *health information technology systems to improve the*
 19 *quality and efficiency of health care.*

20 “(2) *ELIGIBILITY.—To be eligible to receive a*
 21 *grant under paragraph (1) an entity shall—*

22 “(A) *submit to the Secretary an application*
 23 *at such time, in such manner, and containing*
 24 *such information as the Secretary may require;*

1 “(B) submit to the Secretary a strategic
2 plan for the implementation of data sharing and
3 interoperability measures;

4 “(C) be a—

5 “(i) not for profit hospital;

6 “(ii) individual or group practice; or

7 “(iii) another health care provider not
8 described in clause (i) or (ii);

9 “(D) adopt the standards adopted by the
10 Federal Government under section 2903;

11 “(E) implement the measurement system
12 adopted under section 2908 and report to the
13 Secretary on such measures;

14 “(F) demonstrate significant financial need;
15 and

16 “(G) provide matching funds in accordance
17 with paragraph (4).

18 “(3) USE OF FUNDS.—Amounts received under a
19 grant under this subsection shall be used to facilitate
20 the purchase and enhance the utilization of qualified
21 health information technology systems and training
22 personnel in the use of such technology.

23 “(4) MATCHING REQUIREMENT.—To be eligible
24 for a grant under this subsection an entity shall con-
25 tribute non-Federal contributions to the costs of car-

1 *rying out the activities for which the grant is award-*
2 *ed in an amount equal to \$1 for each \$3 of Federal*
3 *funds provided under the grant.*

4 *“(5) PREFERENCE IN AWARDING GRANTS.—In*
5 *awarding grants under this subsection the Secretary*
6 *shall give preference to—*

7 *“(A) eligible entities that are located in*
8 *rural, frontier, and other underserved areas as*
9 *determined by the Secretary;*

10 *“(B) eligible entities that will link, to the*
11 *extent practicable, the qualified health informa-*
12 *tion system to local or regional health informa-*
13 *tion plan or plans; and*

14 *“(C) with respect to an entity described in*
15 *subsection (a)(2)(C)(iii), a nonprofit health care*
16 *provider.*

17 *“(b) COMPETITIVE GRANTS TO STATES FOR THE DE-*
18 *VELOPMENT OF STATE LOAN PROGRAMS TO FACILITATE*
19 *THE WIDESPREAD ADOPTION OF HEALTH INFORMATION*
20 *TECHNOLOGY.—*

21 *“(1) IN GENERAL.—The Secretary may award*
22 *competitive grants to States for the establishment of*
23 *State programs for loans to health care providers to*
24 *facilitate the purchase and enhance the utilization of*
25 *qualified health information technology.*

1 “(2) *ESTABLISHMENT OF FUND.*—To be eligible
2 to receive a competitive grant under this subsection,
3 a State shall establish a qualified health information
4 technology loan fund (referred to in this subsection as
5 a ‘State loan fund’) and comply with the other re-
6 quirements contained in this section. A grant to a
7 State under this subsection shall be deposited in the
8 State loan fund established by the State. No funds au-
9 thorized by other provisions of this title to be used for
10 other purposes specified in this title shall be deposited
11 in any State loan fund.

12 “(3) *ELIGIBILITY.*—To be eligible to receive a
13 grant under paragraph (1) a State shall—

14 “(A) submit to the Secretary an application
15 at such time, in such manner, and containing
16 such information as the Secretary may require;

17 “(B) submit to the Secretary a strategic
18 plan in accordance with paragraph (4);

19 “(C) establish a qualified health informa-
20 tion technology loan fund in accordance with
21 paragraph (2);

22 “(D) require that health care providers re-
23 ceiving such loans—

24 “(i) link, to the extent practicable, the
25 qualified health information system to a

1 local or regional health information net-
2 work; and

3 “(ii) consult with the Health Informa-
4 tion Technology Resource Center established
5 in section 914(d) to access the knowledge
6 and experience of existing initiatives re-
7 garding the successful implementation and
8 effective use of health information tech-
9 nology;

10 “(E) require that health care providers re-
11 ceiving such loans adopt the standards adopted
12 by the Federal Government under section 2903;

13 “(F) require that health care providers re-
14 ceiving such loans implement the measurement
15 system adopted under section 2908 and report to
16 the Secretary on such measures; and

17 “(G) provide matching funds in accordance
18 with paragraph (8).

19 “(4) STRATEGIC PLAN.—

20 “(A) IN GENERAL.—A State that receives a
21 grant under this subsection shall annually pre-
22 pare a strategic plan that identifies the intended
23 uses of amounts available to the State loan fund
24 of the State.

1 “(B) *CONTENTS.*—*A strategic plan under*
2 *subparagraph (A) shall include—*

3 “(i) *a list of the projects to be assisted*
4 *through the State loan fund in the first fis-*
5 *cal year that begins after the date on which*
6 *the plan is submitted;*

7 “(ii) *a description of the criteria and*
8 *methods established for the distribution of*
9 *funds from the State loan fund; and*

10 “(iii) *a description of the financial*
11 *status of the State loan fund and the short-*
12 *term and long-term goals of the State loan*
13 *fund.*

14 “(5) *USE OF FUNDS.*—

15 “(A) *IN GENERAL.*—*Amounts deposited in a*
16 *State loan fund, including loan repayments and*
17 *interest earned on such amounts, shall be used*
18 *only for awarding loans or loan guarantees, or*
19 *as a source of reserve and security for leveraged*
20 *loans, the proceeds of which are deposited in the*
21 *State loan fund established under paragraph (1).*
22 *Loans under this section may be used by a*
23 *health care provider to facilitate the purchase*
24 *and enhance the utilization of qualified health*

1 *information technology and training of personnel*
2 *in the use of such technology.*

3 “(B) *LIMITATION.—Amounts received by a*
4 *State under this subsection may not be used—*

5 “(i) *for the purchase or other acquisi-*
6 *tion of any health information technology*
7 *system that is not a qualified health infor-*
8 *mation technology system;*

9 “(ii) *to conduct activities for which*
10 *Federal funds are expended under this title,*
11 *or the amendments made by the Wired for*
12 *Health Care Quality Act; or*

13 “(iii) *for any purpose other than mak-*
14 *ing loans to eligible entities under this sec-*
15 *tion.*

16 “(6) *TYPES OF ASSISTANCE.—Except as other-*
17 *wise limited by applicable State law, amounts depos-*
18 *ited into a State loan fund under this subsection may*
19 *only be used for the following:*

20 “(A) *To award loans that comply with the*
21 *following:*

22 “(i) *The interest rate for each loan*
23 *shall be less than or equal to the market in-*
24 *terest rate.*

1 “(ii) *The principal and interest pay-*
2 *ments on each loan shall commence not*
3 *later than 1 year after the loan was award-*
4 *ed, and each loan shall be fully amortized*
5 *not later than 10 years after the date of the*
6 *loan.*

7 “(iii) *The State loan fund shall be*
8 *credited with all payments of principal and*
9 *interest on each loan awarded from the*
10 *fund.*

11 “(B) *To guarantee, or purchase insurance*
12 *for, a local obligation (all of the proceeds of*
13 *which finance a project eligible for assistance*
14 *under this subsection) if the guarantee or pur-*
15 *chase would improve credit market access or re-*
16 *duce the interest rate applicable to the obligation*
17 *involved.*

18 “(C) *As a source of revenue or security for*
19 *the payment of principal and interest on revenue*
20 *or general obligation bonds issued by the State*
21 *if the proceeds of the sale of the bonds will be de-*
22 *posited into the State loan fund.*

23 “(D) *To earn interest on the amounts de-*
24 *posited into the State loan fund.*

25 “(7) *ADMINISTRATION OF STATE LOAN FUNDS.—*

1 “(A) *COMBINED FINANCIAL ADMINISTRATION.—A State may (as a convenience and to*
2 *avoid unnecessary administrative costs) combine,*
3 *in accordance with State law, the financial ad-*
4 *ministration of a State loan fund established*
5 *under this subsection with the financial adminis-*
6 *tration of any other revolving fund established*
7 *by the State if otherwise not prohibited by the*
8 *law under which the State loan fund was estab-*
9 *lished.*

11 “(B) *COST OF ADMINISTERING FUND.—*
12 *Each State may annually use not to exceed 4*
13 *percent of the funds provided to the State under*
14 *a grant under this subsection to pay the reason-*
15 *able costs of the administration of the programs*
16 *under this section, including the recovery of rea-*
17 *sonable costs expended to establish a State loan*
18 *fund which are incurred after the date of enact-*
19 *ment of this title.*

20 “(C) *GUIDANCE AND REGULATIONS.—The*
21 *Secretary shall publish guidance and promulgate*
22 *regulations as may be necessary to carry out the*
23 *provisions of this subsection, including—*

24 “(i) *provisions to ensure that each*
25 *State commits and expends funds allotted to*

1 *the State under this subsection as efficiently*
2 *as possible in accordance with this title and*
3 *applicable State laws; and*

4 “(i) *guidance to prevent waste, fraud,*
5 *and abuse.*

6 “(D) *PRIVATE SECTOR CONTRIBUTIONS.—*

7 “(i) *IN GENERAL.—A State loan fund*
8 *established under this subsection may accept*
9 *contributions from private sector entities,*
10 *except that such entities may not specify the*
11 *recipient or recipients of any loan issued*
12 *under this subsection.*

13 “(ii) *AVAILABILITY OF INFORMA-*
14 *TION.—A State shall make publicly avail-*
15 *able the identity of, and amount contributed*
16 *by, any private sector entity under clause*
17 *(i) and may issue letters of commendation*
18 *or make other awards (that have no finan-*
19 *cial value) to any such entity.*

20 “(8) *MATCHING REQUIREMENTS.—*

21 “(A) *IN GENERAL.—The Secretary may not*
22 *make a grant under paragraph (1) to a State*
23 *unless the State agrees to make available (di-*
24 *rectly or through donations from public or pri-*
25 *vate entities) non-Federal contributions in cash*

1 *toward the costs of the State program to be im-*
 2 *plemented under the grant in an amount equal*
 3 *to not less than \$1 for each \$1 of Federal funds*
 4 *provided under the grant.*

5 “(B) *DETERMINATION OF AMOUNT OF NON-*
 6 *FEDERAL CONTRIBUTION.—In determining the*
 7 *amount of non-Federal contributions that a*
 8 *State has provided pursuant to subparagraph*
 9 *(A), the Secretary may not include any amounts*
 10 *provided to the State by the Federal Government.*

11 “(9) *PREFERENCE IN AWARDING GRANTS.—The*
 12 *Secretary may give a preference in awarding grants*
 13 *under this subsection to States that adopt value-based*
 14 *purchasing programs to improve health care quality.*

15 “(10) *REPORTS.—The Secretary shall annually*
 16 *submit to the Committee on Health, Education,*
 17 *Labor, and Pensions and the Committee on Finance*
 18 *of the Senate, and the Committee on Energy and*
 19 *Commerce and the Committee on Ways and Means of*
 20 *the House of Representatives, a report summarizing*
 21 *the reports received by the Secretary from each State*
 22 *that receives a grant under this subsection.*

23 “(c) *COMPETITIVE GRANTS FOR THE IMPLEMENTA-*
 24 *TION OF REGIONAL OR LOCAL HEALTH INFORMATION*
 25 *TECHNOLOGY PLANS.—*

1 “(1) *IN GENERAL.*—*The Secretary may award*
2 *competitive grants to eligible entities to implement re-*
3 *gional or local health information plans to improve*
4 *health care quality and efficiency through the elec-*
5 *tronic exchange of health information pursuant to the*
6 *standards, protocols, and other requirements adopted*
7 *by the Secretary under sections 2903 and 2908.*

8 “(2) *ELIGIBILITY.*—*To be eligible to receive a*
9 *grant under paragraph (1) an entity shall—*

10 “(A) *demonstrate financial need to the Sec-*
11 *retary;*

12 “(B) *demonstrate that one of its principal*
13 *missions or purposes is to use information tech-*
14 *nology to improve health care quality and effi-*
15 *ciency;*

16 “(C) *adopt bylaws, memoranda of under-*
17 *standing, or other charter documents that dem-*
18 *onstrate that the governance structure and deci-*
19 *sionmaking processes of such entity allow for*
20 *participation on an ongoing basis by multiple*
21 *stakeholders within a community, including—*

22 “(i) *physicians (as defined in section*
23 *1861(r) of the Social Security Act), includ-*
24 *ing physicians that provide services to low*
25 *income and underserved populations;*

1 “(ii) hospitals (including hospitals
2 that provide services to low income and un-
3 derserved populations);

4 “(iii) pharmacists or pharmacies;

5 “(iv) health insurance plans;

6 “(v) health centers (as defined in sec-
7 tion 330(b)) and Federally qualified health
8 centers (as defined in section 1861(aa)(4) of
9 the Social Security Act);

10 “(vi) rural health clinics (as defined in
11 section 1861(aa) of the Social Security Act);

12 “(vii) patient or consumer organiza-
13 tions;

14 “(viii) employers; and

15 “(ix) any other health care providers
16 or other entities, as determined appropriate
17 by the Secretary;

18 “(D) demonstrate the participation, to the
19 extent practicable, of stakeholders in the elec-
20 tronic exchange of health information within the
21 local or regional plan pursuant to paragraph
22 (2)(C);

23 “(E) adopt nondiscrimination and conflict
24 of interest policies that demonstrate a commit-
25 ment to open, fair, and nondiscriminatory par-

1 *ticipation in the health information plan by all*
2 *stakeholders;*

3 *“(F) adopt the standards adopted by the*
4 *Secretary under section 2903;*

5 *“(G) require that health care providers re-*
6 *ceiving such grants implement the measurement*
7 *system adopted under section 2908 and report to*
8 *the Secretary on such measures;*

9 *“(H) facilitate the electronic exchange of*
10 *health information within the local or regional*
11 *area and among local and regional areas;*

12 *“(I) prepare and submit to the Secretary an*
13 *application in accordance with paragraph (3);*
14 *and*

15 *“(J) agree to provide matching funds in ac-*
16 *cordance with paragraph (5).*

17 *“(3) APPLICATION.—*

18 *“(A) IN GENERAL.—To be eligible to receive*
19 *a grant under paragraph (1), an entity shall*
20 *submit to the Secretary an application at such*
21 *time, in such manner, and containing such in-*
22 *formation as the Secretary may require.*

23 *“(B) REQUIRED INFORMATION.—At a min-*
24 *imum, an application submitted under this*
25 *paragraph shall include—*

1 “(i) clearly identified short-term and
2 long-term objectives of the regional or local
3 health information plan;

4 “(ii) a technology plan that complies
5 with the standards adopted under section
6 2903 and that includes a descriptive and
7 reasoned estimate of costs of the hardware,
8 software, training, and consulting services
9 necessary to implement the regional or local
10 health information plan;

11 “(iii) a strategy that includes initia-
12 tives to improve health care quality and ef-
13 ficiency, including the use and reporting of
14 health care quality measures adopted under
15 section 2908;

16 “(iv) a plan that describes provisions
17 to encourage the implementation of the elec-
18 tronic exchange of health information by all
19 physicians, including single physician prac-
20 tices and small physician groups partici-
21 pating in the health information plan;

22 “(v) a plan to ensure the privacy and
23 security of personal health information that
24 is consistent with Federal and State law;

1 “(vi) a governance plan that defines
2 the manner in which the stakeholders shall
3 jointly make policy and operational deci-
4 sions on an ongoing basis;

5 “(vii) a financial or business plan that
6 describes—

7 “(I) the sustainability of the plan;

8 “(II) the financial costs and bene-
9 fits of the plan; and

10 “(III) the entities to which such
11 costs and benefits will accrue; and

12 “(viii) if the case of an applicant enti-
13 ty that is unable to demonstrate the partici-
14 pation of all stakeholders pursuant to para-
15 graph (2)(C), the justification from the enti-
16 ty for any such nonparticipation.

17 “(4) *USE OF FUNDS.*—Amounts received under a
18 grant under paragraph (1) shall be used to establish
19 and implement a regional or local health information
20 plan in accordance with this subsection.

21 “(5) *MATCHING REQUIREMENT.*—

22 “(A) *IN GENERAL.*—The Secretary may not
23 make a grant under this subsection to an entity
24 unless the entity agrees that, with respect to the
25 costs to be incurred by the entity in carrying out

1 *the infrastructure program for which the grant*
2 *was awarded, the entity will make available (di-*
3 *rectly or through donations from public or pri-*
4 *vate entities) non-Federal contributions toward*
5 *such costs in an amount equal to not less than*
6 *50 percent of such costs (\$1 for each \$2 of Fed-*
7 *eral funds provided under the grant).*

8 “(B) *DETERMINATION OF AMOUNT CONTRIB-*
9 *UTED.—Non-Federal contributions required*
10 *under subparagraph (A) may be in cash or in*
11 *kind, fairly evaluated, including equipment,*
12 *technology, or services. Amounts provided by the*
13 *Federal Government, or services assisted or sub-*
14 *sidized to any significant extent by the Federal*
15 *Government, may not be included in deter-*
16 *mining the amount of such non-Federal con-*
17 *tributions.*

18 “(d) *REPORTS.—Not later than 1 year after the date*
19 *on which the first grant is awarded under this section, and*
20 *annually thereafter during the grant period, an entity that*
21 *receives a grant under this section shall submit to the Sec-*
22 *retary a report on the activities carried out under the grant*
23 *involved. Each such report shall include—*

1 “(1) a description of the financial costs and ben-
2 efits of the project involved and of the entities to
3 which such costs and benefits accrue;

4 “(2) an analysis of the impact of the project on
5 health care quality and safety;

6 “(3) a description of any reduction in duplica-
7 tive or unnecessary care as a result of the project in-
8 volved;

9 “(4) a description of the efforts of recipients
10 under this section to facilitate secure patient access to
11 health information; and

12 “(5) other information as required by the Sec-
13 retary.

14 “(e) *REQUIREMENT TO ACHIEVE QUALITY IMPROVE-*
15 *MENT.*—The Secretary shall annually evaluate the activities
16 conducted under this section and shall, in awarding grants,
17 implement the lessons learned from such evaluation in a
18 manner so that awards made subsequent to each such eval-
19 uation are made in a manner that, in the determination
20 of the Secretary, will result in the greatest improvement in
21 quality measurement systems under section 2908.

22 “(f) *LIMITATION.*—An eligible entity may only receive
23 one non-renewable grant under subsection (a), one non-re-
24 newable grant under subsection (b), and one non-renewable
25 grant under subsection (c).

1 “(g) *AUTHORIZATION OF APPROPRIATIONS.*—

2 “(1) *IN GENERAL.*—*For the purpose of carrying*
3 *out this section, there is authorized to be appropriated*
4 *\$116,000,000 for fiscal year 2006, \$141,000,000 for*
5 *fiscal year 2007, and such sums as may be necessary*
6 *for each of fiscal years 2008 through 2010.*

7 “(2) *AVAILABILITY.*—*Amounts appropriated*
8 *under paragraph (1) shall remain available through*
9 *fiscal year 2010.*

10 **“SEC. 2906. DEMONSTRATION PROGRAM TO INTEGRATE IN-**
11 **FORMATION TECHNOLOGY INTO CLINICAL**
12 **EDUCATION.**

13 “(a) *IN GENERAL.*—*The Secretary may award grants*
14 *under this section to carry out demonstration projects to*
15 *develop academic curricula integrating qualified health in-*
16 *formation technology systems in the clinical education of*
17 *health professionals. Such awards shall be made on a com-*
18 *petitive basis and pursuant to peer review.*

19 “(b) *ELIGIBILITY.*—*To be eligible to receive a grant*
20 *under subsection (a), an entity shall—*

21 “(1) *submit to the Secretary an application at*
22 *such time, in such manner, and containing such in-*
23 *formation as the Secretary may require;*

24 “(2) *submit to the Secretary a strategic plan for*
25 *integrating qualified health information technology in*

1 *the clinical education of health professionals and for*
 2 *ensuring the consistent utilization of decision support*
 3 *software to reduce medical errors and enhance health*
 4 *care quality;*

5 “(3) *be—*

6 “(A) *a health professions school;*

7 “(B) *a school of nursing; or*

8 “(C) *an institution with a graduate med-*
 9 *ical education program;*

10 “(4) *provide for the collection of data regarding*
 11 *the effectiveness of the demonstration project to be*
 12 *funded under the grant in improving the safety of pa-*
 13 *tients, the efficiency of health care delivery, and in*
 14 *increasing the likelihood that graduates of the grantee*
 15 *will adopt and incorporate health information tech-*
 16 *nology, and implement the quality measurement sys-*
 17 *tem adopted under section 2908, in the delivery of*
 18 *health care services; and*

19 “(5) *provide matching funds in accordance with*
 20 *subsection (c).*

21 “(c) *USE OF FUNDS.—*

22 “(1) *IN GENERAL.—With respect to a grant*
 23 *under subsection (a), an eligible entity shall—*

24 “(A) *use grant funds in collaboration with*
 25 *2 or more disciplines; and*

1 “(B) use grant funds to integrate qualified
2 health information technology into community-
3 based clinical education.

4 “(2) *LIMITATION.*—An eligible entity shall not
5 use amounts received under a grant under subsection
6 (a) to purchase hardware, software, or services.

7 “(d) *MATCHING FUNDS.*—

8 “(1) *IN GENERAL.*—The Secretary may award a
9 grant to an entity under this section only if the entity
10 agrees to make available non-Federal contributions to-
11 ward the costs of the program to be funded under the
12 grant in an amount that is not less than \$1 for each
13 \$2 of Federal funds provided under the grant.

14 “(2) *DETERMINATION OF AMOUNT CONTRIB-*
15 *UTED.*—Non-Federal contributions under paragraph
16 (1) may be in cash or in kind, fairly evaluated, in-
17 cluding equipment or services. Amounts provided by
18 the Federal Government, or services assisted or sub-
19 sidized to any significant extent by the Federal Gov-
20 ernment, may not be included in determining the
21 amount of such contributions.

22 “(e) *EVALUATION.*—The Secretary shall take such ac-
23 tion as may be necessary to evaluate the projects funded
24 under this section and publish, make available, and dis-

1 *seminate the results of such evaluations on as wide a basis*
 2 *as is practicable.*

3 “(f) *REPORTS.*—*Not later than 1 year after the date*
 4 *of enactment of this title, and annually thereafter, the Sec-*
 5 *retary shall submit to the Committee on Health, Education,*
 6 *Labor, and Pensions and the Committee on Finance of the*
 7 *Senate, and the Committee on Energy and Commerce and*
 8 *the Committee on Ways and Means of the House of Rep-*
 9 *resentatives a report that—*

10 “(1) *describes the specific projects established*
 11 *under this section; and*

12 “(2) *contains recommendations for Congress*
 13 *based on the evaluation conducted under subsection*
 14 *(e).*

15 “(g) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
 16 *authorized to be appropriated to carry out this section,*
 17 *\$5,000,000 for fiscal year 2007, and such sums as may be*
 18 *necessary for each of fiscal years 2008 through 2010.*

19 “(h) *SUNSET.*—*This section shall not apply after Sep-*
 20 *tember 30, 2010.*

21 **“SEC. 2907. LICENSURE AND THE ELECTRONIC EXCHANGE**
 22 **OF HEALTH INFORMATION.**

23 “(a) *IN GENERAL.*—*The Secretary shall carry out, or*
 24 *contract with a private entity to carry out, a study that*
 25 *examines—*

1 “(1) the variation among State laws that relate
2 to the licensure, registration, and certification of med-
3 ical professionals; and

4 “(2) how such variation among State laws im-
5 pacts the secure electronic exchange of health informa-
6 tion—

7 “(A) among the States; and

8 “(B) between the States and the Federal
9 Government.

10 “(b) *REPORT AND RECOMMENDATIONS.*—Not later
11 than 1 year after the date of enactment of this title, the
12 Secretary shall publish a report that—

13 “(1) describes the results of the study carried out
14 under subsection (a); and

15 “(2) makes recommendations to States regarding
16 the harmonization of State laws based on the results
17 of such study.

18 **“SEC. 2908. QUALITY MEASUREMENT SYSTEM.**

19 “(a) *IN GENERAL.*—The Secretary, in consultation
20 with the Secretary of Veterans Affairs, the Secretary of De-
21 fense, and representatives of other relevant Federal agencies,
22 as determined appropriate by the Secretary, shall develop
23 or adopt a quality measurement system, including measures
24 to assess that effectiveness, timeliness, patient self-manage-

1 *ment, patient centeredness, efficiency, and safety, for the*
2 *purpose of measuring the quality of care patients receive.*

3 “(b) *REQUIREMENTS.—The Secretary shall ensure that*
4 *the quality measurement system developed under subsection*
5 *(a) comply with the following:*

6 “(1) *MEASURES.—*

7 “(A) *IN GENERAL.—Subject to subpara-*
8 *graph (B), the Secretary shall select measures of*
9 *quality to be used by the Secretary under the*
10 *systems.*

11 “(B) *REQUIREMENTS.—In selecting the*
12 *measures to be used under each system pursuant*
13 *to subparagraph (A), the Secretary shall, to the*
14 *extent feasible, ensure that—*

15 “(i) *such measures are evidence based,*
16 *reliable and valid;*

17 “(ii) *such measures include measures*
18 *of clinical processes and outcomes, patient*
19 *experience, efficiency, and equity; and*

20 “(iii) *such measures include measures*
21 *of overuse and underuse of health care items*
22 *and services.*

23 “(2) *PRIORITIES.—In developing the system*
24 *under subsection (a), the Secretary shall ensure that*
25 *priority is given to—*

1 “(A) measures with the greatest potential
2 impact for improving the quality and efficiency
3 of care provided under Federal programs;

4 “(B) measures that may be rapidly imple-
5 mented by group health plans, health insurance
6 issuers, physicians, hospitals, nursing homes,
7 long-term care providers, and other providers;
8 and

9 “(C) measures which may inform health
10 care decisions made by consumers and patients.

11 “(3) *WEIGHTS OF MEASURES.*—The Secretary
12 shall assign weights to the measures used by the Sec-
13 retary under each system established under subsection
14 (a).

15 “(4) *RISK ADJUSTMENT.*—The Secretary shall es-
16 tablish procedures to account for differences in pa-
17 tient health status, patient characteristics, and geo-
18 graphic location. To the extent practicable, such pro-
19 cedures shall recognize existing procedures.

20 “(5) *MAINTENANCE.*—The Secretary shall, as de-
21 termined appropriate, but in no case more often than
22 once during each 12-month period, update the quality
23 measurement systems developed under subsection (a),
24 including through—

1 “(A) the addition of more accurate and pre-
2 cise measures under the systems and the retire-
3 ment of existing outdated measures under the
4 systems; and

5 “(B) the refinement of the weights assigned
6 to measures under the systems.

7 “(c) *REQUIRED CONSIDERATIONS IN DEVELOPING AND*
8 *UPDATING THE SYSTEMS.*—In developing and updating the
9 quality measurement systems under this section, the Sec-
10 retary shall—

11 “(1) consult with, and take into account the rec-
12 ommendations of, the entity that the Secretary has an
13 arrangement with under subsection (e);

14 “(2) consult with representatives of health care
15 providers (including physicians, pharmacists, nurses,
16 and other health care professionals), consumers, em-
17 ployers, and other individuals and groups that are
18 interested in the quality of health care; and

19 “(3) take into account—

20 “(A) any demonstration or pilot program
21 conducted by the Secretary relating to measuring
22 and rewarding quality and efficiency of care;

23 “(B) any existing activities conducted by
24 the Secretary relating to measuring and reward-
25 ing quality and efficiency;

1 “(C) any existing activities conducted by
2 private entities including health insurance plans
3 and payors; and

4 “(D) the report by the Institute of Medicine
5 of the National Academy of Sciences under sec-
6 tion 238(b) of the Medicare Prescription Drug,
7 Improvement, and Modernization Act of 2003.

8 “(d) *REQUIRED CONSIDERATIONS IN IMPLEMENTING*
9 *THE SYSTEMS.*—In implementing the quality measurement
10 systems under this section, the Secretary shall take into ac-
11 count the recommendations of public-private entities—

12 “(1) that are established to examine issues of
13 data collection and reporting, including the feasibility
14 of collecting and reporting data on measures; and

15 “(2) that involve representatives of health care
16 providers (including physicians, pharmacists, nurses,
17 and other health care professionals), consumers, em-
18 ployers, and other individuals and groups that are
19 interested in quality of care.

20 “(e) *ARRANGEMENT WITH AN ENTITY TO PROVIDE AD-*
21 *VICE AND RECOMMENDATIONS.*—

22 “(1) *ARRANGEMENT.*—On and after July 1,
23 2006, the Secretary shall have in place an arrange-
24 ment with an entity that meets the requirements de-
25 scribed in paragraph (2) under which such entity

1 provides the Secretary with advice on, and rec-
2 ommendations with respect to, the development and
3 updating of the quality measurement systems under
4 this section, including the assigning of weights to the
5 measures under subsection (b)(2).

6 “(2) *REQUIREMENTS DESCRIBED.*—The require-
7 ments described in this paragraph are the following:

8 “(A) *The entity is a private nonprofit enti-*
9 *ty governed by an executive director and a*
10 *board.*

11 “(B) *The members of the entity include rep-*
12 *resentatives of—*

13 “(i) *health insurance plans and health*
14 *care providers with experience in the care of*
15 *individuals with multiple complex chronic*
16 *conditions or groups representing such*
17 *health insurance plans and providers;*

18 “(ii) *groups representing patients and*
19 *consumers;*

20 “(iii) *purchasers and employers or*
21 *groups representing purchasers or employ-*
22 *ers;*

23 “(iv) *organizations that focus on qual-*
24 *ity improvement as well as the measure-*
25 *ment and reporting of quality measures;*

1 “(v) *State government health pro-*
2 *grams;*

3 “(vi) *individuals or entities skilled in*
4 *the conduct and interpretation of bio-*
5 *medical, health services, and health econom-*
6 *ics research and with expertise in outcomes*
7 *and effectiveness research and technology as-*
8 *essment; and*

9 “(vii) *individuals or entities involved*
10 *in the development and establishment of*
11 *standards and certification for health infor-*
12 *mation technology systems and clinical*
13 *data.*

14 “(C) *The membership of the entity is rep-*
15 *resentative of individuals with experience with*
16 *urban health care issues and individuals with*
17 *experience with rural and frontier health care*
18 *issues.*

19 “(D) *If the entity requires a fee for member-*
20 *ship, the entity shall provide assurances to the*
21 *Secretary that such fees are not a substantial*
22 *barrier to participation in the entity’s activities*
23 *related to the arrangement with the Secretary.*

24 “(E) *The entity—*

1 “(i) permits any member described in
2 subparagraph (B) to vote on matters of the
3 entity related to the arrangement with the
4 Secretary under paragraph (1); and

5 “(ii) ensures that member voting pro-
6 vides a balance among disparate stake-
7 holders, so that no member organization de-
8 scribed in subparagraph (B) unduly influ-
9 ences the outcome.

10 “(F) With respect to matters related to the
11 arrangement with the Secretary under para-
12 graph (1), the entity conducts its business in an
13 open and transparent manner and provides the
14 opportunity for public comment.

15 “(G) The entity operates as a voluntary
16 consensus standards setting organization as de-
17 fined for purposes of section 12(d) of the Na-
18 tional Technology Transfer and Advancement
19 Act of 1995 (Public Law 104–113) and Office of
20 Management and Budget Revised Circular A-
21 119 (published in the Federal Register on Feb-
22 ruary 10, 1998).

23 “(f) USE OF QUALITY MEASUREMENT SYSTEM.—

24 “(1) IN GENERAL.—For purposes of activities
25 conducted or supported by the Secretary under this

1 *Act, the Secretary shall, to the extent practicable,*
2 *adopt and utilize the measurement system developed*
3 *under this section.*

4 “(2) *COLLABORATIVE AGREEMENTS.*—*With re-*
5 *spect to activities conducted or supported by the Sec-*
6 *retary under this Act, the Secretary may establish*
7 *collaborative agreements with private entities, includ-*
8 *ing group health plans and health insurance issuers,*
9 *providers, purchasers, consumer organizations, and*
10 *entities receiving a grant under section 2905, to—*

11 “(A) *encourage the use of the health care*
12 *quality measures adopted by the Secretary under*
13 *this section; and*

14 “(B) *foster uniformity between the health*
15 *care quality measures utilized by private enti-*
16 *ties.*

17 “(3) *REPORTING.*—*The Secretary shall imple-*
18 *ment procedures to enable the Department of Health*
19 *and Human Services to accept the electronic submis-*
20 *sion of data for purposes of quality measurement*
21 *using the quality measurement system adopted under*
22 *this section and using the standards adopted by the*
23 *Federal Government under section 2903.*

24 “(g) *DISSEMINATION OF INFORMATION.*—*Beginning*
25 *on January 1, 2008, in order to make comparative quality*

1 *information available to health care consumers, health pro-*
2 *essionals, public health officials, researchers, and other ap-*
3 *propriate individuals and entities, the Secretary shall pro-*
4 *vide for the dissemination, aggregation, and analysis of*
5 *quality measures collected under section 2905 and the dis-*
6 *semination of recommendations and best practices derived*
7 *in part from such analysis.*

8 “(h) *TECHNICAL ASSISTANCE.*—*The Secretary shall*
9 *provide technical assistance to public and private entities*
10 *to enable such entities to—*

11 “(1) *implement and use evidence-based guide-*
12 *lines with the greatest potential to improve health*
13 *care quality, efficiency, and patient safety; and*

14 “(2) *establish mechanisms for the rapid dissemi-*
15 *nation of information regarding evidence-based guide-*
16 *lines with the greatest potential to improve health*
17 *care quality, efficiency, and patient safety.*

18 **“SEC. 2909. ENSURING PRIVACY AND SECURITY.**

19 “*Nothing in this title shall be construed to affect the*
20 *scope or substance of—*

21 “(1) *section 264 of the Health Insurance Port-*
22 *ability and Accountability Act of 1996;*

23 “(2) *sections 1171 through 1179 of the Social Se-*
24 *curity Act; and*

1 “(3) any regulation issued pursuant to any such
2 section;
3 and such sections shall remain in effect.

4 **“SEC. 2910. STUDY OF REIMBURSEMENT INCENTIVES.**

5 *“The Secretary shall carry out, or contract with a pri-
6 vate entity to carry out, a study that examines methods
7 to create efficient reimbursement incentives for improving
8 health care quality in Federally qualified health centers,
9 rural health clinics, and free clinics.”.*

10 **SEC. 3. HEALTH INFORMATION TECHNOLOGY RESOURCE**
11 **CENTER.**

12 *Section 914 of the Public Health Service Act (42*
13 *U.S.C. 299b–3) is amended by adding at the end the fol-*
14 *lowing:*

15 “(d) **HEALTH INFORMATION TECHNOLOGY RESOURCE**
16 **CENTER.—**

17 “(1) **IN GENERAL.—***The Secretary, acting*
18 *through the Director, shall develop a Health Informa-*
19 *tion Technology Resource Center to provide technical*
20 *assistance and develop best practices to support and*
21 *accelerate efforts to adopt, implement, and effectively*
22 *use interoperable health information technology in*
23 *compliance with section 2903 and 2908.*

24 “(2) **HEALTH INFORMATION TECHNOLOGY RE-**
25 **SOURCE CENTER.—**

1 “(A) *IN GENERAL.*—*The Center shall sup-*
2 *port activities to meet goals, including—*

3 “(i) *providing for the widespread*
4 *adoption of interoperable health informa-*
5 *tion technology;*

6 “(ii) *providing for the establishment of*
7 *regional and local health information net-*
8 *works to facilitate the development of inter-*
9 *operability across health care settings and*
10 *improve the quality of health care;*

11 “(iii) *the development of solutions to*
12 *barriers to the exchange of electronic health*
13 *information; or*

14 “(iv) *other activities identified by the*
15 *States, local or regional health information*
16 *networks, or health care stakeholders as a*
17 *focus for developing and sharing best prac-*
18 *tices.*

19 “(B) *PURPOSES.*—*The purpose of the Cen-*
20 *ter is to—*

21 “(i) *provide a forum for the exchange*
22 *of knowledge and experience;*

23 “(ii) *accelerate the transfer of lessons*
24 *learned from existing public and private*

1 *sector initiatives, including those currently*
2 *receiving Federal financial support; and*

3 “(iii) *assemble, analyze, and widely*
4 *disseminate evidence and experience related*
5 *to the adoption, implementation, and effec-*
6 *tive use of interoperable health information*
7 *technology.*

8 “(C) *SUPPORT FOR ACTIVITIES.—To pro-*
9 *vide support for the activities of the Center, the*
10 *Director shall modify the requirements, if nec-*
11 *essary, that apply to the National Resource Cen-*
12 *ter for Health Information Technology to provide*
13 *the necessary infrastructure to support the duties*
14 *and activities of the Center and facilitate infor-*
15 *mation exchange across the public and private*
16 *sectors.*

17 “(3) *TECHNICAL ASSISTANCE TELEPHONE NUM-*
18 *BER OR WEBSITE.—The Secretary shall establish a*
19 *toll-free telephone number or Internet website to pro-*
20 *vide health care providers and patients with a single*
21 *point of contact to—*

22 “(A) *learn about Federal grants and tech-*
23 *nical assistance services related to interoperable*
24 *health information technology;*

1 “(B) learn about qualified health informa-
2 tion technology and the quality measurement
3 system adopted by the Federal Government
4 under sections 2903 and 2908;

5 “(C) learn about regional and local health
6 information networks for assistance with health
7 information technology; and

8 “(D) disseminate additional information
9 determined by the Secretary.

10 “(4) *RULE OF CONSTRUCTION.*—Nothing in this
11 subsection shall be construed to require the duplica-
12 tion of Federal efforts with respect to the establish-
13 ment of the Center, regardless of whether such efforts
14 were carried out prior to or after the enactment of
15 this subsection.”.

16 **SEC. 4. REAUTHORIZATION OF INCENTIVE GRANTS RE-**
17 **GARDING TELEMEDICINE.**

18 Section 330L(b) of the Public Health Service Act (42
19 U.S.C. 254c–18(b)) is amended by striking “2002 through
20 2006” and inserting “2006 through 2010”.

Calendar No. 178

109TH CONGRESS
1ST Session

S. 1418

[Report No. 109-111]

A BILL

To enhance the adoption of a nationwide interoperable health information technology system and to improve the quality and reduce the costs of health care in the United States.

JULY 27, 2005

Reported with an amendment